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Running HP-UX11i on HP Integrity servers, 20-30 wing design simulations that used to take weeks are now done overnight.

COMPUSA:

Going with 64-bit architecture using HP Integrity servers, they cut access time to inventory data by up to 85%.

FIAT AUTO:

Standardizing on 64-bit infrastructure using HP Integrity servers, they're integrating and enhancing sales and service as well as streamlining the buying process while lowering sales cost.

THE KOEHLER GROUP:

Moving to an environment composed of HP Integrity servers, they gained a 50% improvement in mission-critical performance.



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CONTENTS

05.10.04

Conquering Portal Chaos

In the Technology section: Large organizations like Steve Ellis' Wells Fargo use consolidation technologies to control portal sprawl — and the legal risks and expense caused by the proliferation. **Page 24**



Extended Enforcement

Also in the Technology section: It isn't good enough to install security tools such as firewalls and antivirus software on end users' systems. Companies are finding that enforcement of security policies at network endpoints is also becoming increasingly crucial. **Page 21**

NEWS

- 6 **Computer Associates plans** to focus on product integration and reassuring customers about its corporate health at the CA World user conference.
- 7 **Outsourcing of printing services** is starting to appeal to companies as another way to cut costs.
- 7 **Hewlett-Packard and Sun** launch radio frequency identification test centers.
- 10 **Cisco adds WLAN** management support to its Catalyst 6500 switches.
- 10 **Offshore outsourcing** could be affected by a privacy bill proposed by Sen. Hillary Rodham Clinton.
- 12 **The Sasser worm's** limited impact on corporate computing demonstrates the need for quick patch response, say experts.
- 12 **Microsoft outlines** its latest plans for Longhorn and 64-bit Windows and a proposal to help users connect devices via Web services.
- 14 **Thomas Siebel** gives up the CEO job and full management responsibility at his namesake company to IBM's sales chief.
- 14 **SAP counts** on its NetWeaver middleware to get its installed base to buy new products.
- 15 **Red Hat develops** a desktop version of its Linux operating system for mainstream corporate users.

TECHNOLOGY

- 26 **Future Watch: Computational Origami.** This new field promises to solve complex engineering problems, as well as to help find cures for diseases such as Alzheimer's and mad cow, say researchers.
- 28 **Security Manager's Journal: Tiger.** Despite explicit policies at Mathias Thurman's company, problems with rogue access points and incident-response procedures haven't improved.

MANAGEMENT

- 31 **Health Care's Major Illness.** Relatively few hospitals have seriously tackled supply chain issues. Here's a look at the strategies two pioneering hospitals developed to free themselves from crippling supply chain costs and inefficiencies.
- 34 **Managing IT Risk at Delta.** A rigorous but simple scorecard helps Delta Technology balance the risk of technology failure against the costs of upgrading.
- 35 **Q&A: Tail Tales.** Stephen Denning, former head of knowledge management at the World Bank, says storytelling can move organizations to action when other methods fail.
- 36 **Career Watch: Partners.** HealthCare Deputy CIO Mary Finlay talks about the Regional Leadership Forum and soft skills. Plus, tips for conflict management.

OPINIONS

- 8 **On the Mark: Mark Hall** finds a product to control data quality costs, as well as a vendor that says dedicated network working appliances are better than multifunction ones.
- 16 **Maryfran Johnson** hears echoes of past IT crises in the rush to comply with regulatory mandates but hopes this challenge is handled better.
- 16 **Pimm Fox** cautions that if you're not hobnobbing with elected officials who can cut red tape to help your IT business, you're missing out.
- 17 **Dan Gillmor** is a road warrior who's prepared for almost any contingency. Here is what's currently in his gadget bag.
- 30 **Nicholas Petreley** says the latest version of the GNOME graphical desktop environment fulfills low expectations.
- 37 **Bart Perkins** looks at how to manage risk/reward contracts to maximize the rewards and minimize the risks.
- 46 **Frankly Speaking: Frank Hapen** doesn't think the Sasser worm and its ilk are trivial. They're signs that worm writers are prototyping toward something truly destructive.

DEPARTMENTS/RESOURCES

- At Deadline Briefs 6
- News Briefs 6
- Letters 17
- IT Careers 39
- Company Index 44
- How to Contact CW 44
- Share Link 46

ONLINE

WWW.COMPUTERWORLD.COM

What Can You Afford to Lose?

DISASTER RECOVERY. Companies should know how fast they can get their businesses running again and how much data they are affording to lose. LiveVault CEO Bob Cramer offers key metrics you can use. **QuickLink 45971**

Prevent Insider Theft

SECURITY. Heading off the unauthorized transfer of a company's key digital assets requires both management and technology controls, writes Danny Lieberman of Open Solutions in Israel. **QuickLink 46642**

Corporate Governance: A Security Key

IT MANAGEMENT. Security is often seen solely as a set of technical issues, but it requires attention from boards of directors, write FTC Commissioner Orson Swindle and Corporate Governance Task Force Co-chairman Bill Conner. **QuickLink 46642**

What Protocols Work Best for VoIP?

NETWORKING. Consultant Matt Costanza outlines the benefits and drawbacks of frame relay, ATM and Ethernet for managing converged voice and data networks. **QuickLink 46662**

Enterprise Architecture Challenge: Integration

DEVELOPMENT. If humans can build wonders engineering marvels, surely we can integrate the enterprise, says columnist Melissa A. Cook. **QuickLink 46716**

What's a QuickLink?

Throughout each issue of Computerworld you'll see five-digit QuickLink codes pointing to related content on our Web site. Also, at the end of each story, a QuickLink to that story's online full-text version is available. And every week, a QuickLink to the top of every page on our site.

ONLINE DEPARTMENTS

- Breaking News **QuickLink 45970**
- Newsletters **QuickLink 45430**
- Knowledge Centers **QuickLink 42570**
- The Online Store **QuickLink 42420**

AT DEADLINE

Schmidt Won't Run For Congress Seat

Howard Schmidt, chief security officer at eBay Inc., announced Friday that he won't seek the 8th District congressional seat being vacated in his home state of Washington. The former White House cybersecurity advisor and onetime chief security officer at Microsoft Corp. said he plans to work more closely with the U.S. Department of Homeland Security instead of running for office.

Novell Starts Tests Of Its Mono Tools

Novell Inc. made its Mono open-source application development software available for beta testing and said it expects to ship Version 1.0 by the end of next month. Mono is designed to be an alternative to Microsoft's .NET technology. It includes a runtime environment for .NET applications, an integrated development environment and a compiler for Microsoft's C# language.

Intel Plans Shift to Dual-Core Chips

Intel Corp. said that it plans by the end of next year to shift all of its processor designs to dual-core chips, affecting everything from notebook PCs to multiprocessor servers. As part of the move to put two processor cores on a single chip across the board, the company has dropped single-core CPUs code-named Tolan and Jayhawk from its product road map.

Short Takes

MICROSOFT promoted Ron Marheisch, previously general manager of finance and administration IT, to CIO. He reports to former CFO Rick Stevens, who now is corporate vice president of worldwide services. . . . ASCENT SOFTWARE CORP. in Wellesboro, Mass., this week plans to announce a Version 7.5 upgrade of its data integration tools, with shipments due next month.

CA World to Focus on User Concerns, Product Integration

Customers seeking reassurance after company shakeup

BY MATT HAMBLEN

AS COMPUTER Associates International Inc. heads into its annual CA World user conference in two weeks, it faces serious user concerns about the soundness of the company and its leadership.

After witnessing the company's acknowledgement of accounting improprieties and the ouster of Sanjay Kumar from his position as CEO, users said CA officials must now reassure them that the company will be able to maintain its new-found focus on customer support.

"I want to know if CA will continue to have the same customer-oriented policy," said Mike Stevenson, enterprise administrator for Peel Regional Police in Brampton, Ontario. Recent leadership

changes and financial disclosures are "more important than any technology CA announces, because they mean the organization won't be as focused [on customers] as before."

Mark Barrenechea, CA's senior vice president of product development, acknowledged last week that CA World attendees will want to be reassured about the Islandia, N.Y.-based company's financial health. "Certainly, I think the top issue will be the state of the company, [which is] top of mind for everyone and a fair question," he said.

Tough Issues

Interim CEO Kenneth Cron will deliver the opening keynote at the conference in place of Kumar. Cron "brings a lot of maturity... a lot of stability... understands the macro aspects of the marketplace and is providing fantastic interim leadership for us," Barrenechea said. "He will

CA World 2004

Key themes will include:

- Reassessment of the soundness of the company and its leadership.
- A new initiative for the horizontal integration of four major product groups.
- An expanded commitment to open-source programs.
- An on-demand approach and lower automation technology.

be speaking very directly about the company" at CA World.

And Cron will have some tough issues to speak about. CA announced last week that it had to delay its financial report on its just-ended fourth quarter and revise its revenue calculations for its second and third quarters [QuickLink 46714]. That development followed on the heels of former U.S. Secretary of State Madeleine Albright's decision to

cancel her appearance as a guest speaker, for which she cited personal reasons [QuickLink 46682].

Discussing other plans for CA World, Barrenechea said the company will announce an initiative to significantly expand the horizontal integration of management functions across its four main product lines: eTrust security, BrightStor storage, Unicenter operations management and Aifusion application life-cycle management.

Kenneth McCardle, assistant vice president of information systems at Farm Bureau Casualty Insurance Co. in Ridgeland, Miss., said the integration work is sorely needed. "Sometimes CA products don't integrate well together," including products within the Unicenter line, he said.

Chris Poole, president of the Florida CA Users Group and a senior analyst at Convergys Corp. in Jacksonville, also welcomed the integration initiative. "I need [management software] to look at the application layer and not the hardware," he said.

CA World will be held in Las Vegas on May 23-27. **C 46761**

CA's Barrenechea Explains Offshore Strategy

Mark Barrenechea, CA's senior vice president of product development, spoke with Computerworld last week about an off-

shore strategy that calls for spending a growing percentage of CA's development dollars on programmers in China and India. Barrenechea stressed that this is being accomplished without sacrificing U.S. developer jobs. Excerpts from the interview follow:

How much of your development work is done offshore?
We're going to put our corporate dollars in emerging markets. It's a natural thing. We have a big presence in Australia; we have a growing presence in Hyderabad,

India; a growing presence in Hong Kong and Beijing; a growing presence in Eastern Europe.



Are these developer populations ones that are currently in the U.S. that are being moved overseas? No. We are expanding our R&D efforts by supplementing them with labor in markets that are growing and emerging for us. We have not replaced jobs in the U.S. with overseas jobs. As we get more efficient in what we do, we do free up dollars that we can reinvest.

Will developers in India and China constitute a growing percentage of your software development workforce? Yes.

You have a set amount of money you can pay for developers. Is it accurate to say that the percentage of that money going to foreign developers is rising? Yes. It's the same for all software companies. It's true for CA, it's true for the industry.

What does that curve look like—that increasing curve of money being shifted to overseas developers? The way that I think it's most appropriate to have the dialogue is to say that I'm going to put our investment into the markets that are emerging. For me, it's not cost optimization, although there is a benefit to that. It is investing in markets that are growing.

Are there developers at CA

who can legitimately complain that they're losing their jobs to workers in China and India? I think most developers I talk to welcome the concept. Because at the end of the day, they want to compete, and they want to win, and they want to provide value in what they do. And if we can give them more skilled programmers to get it done, they're happy to work in this model.

But that skirts the question. Are there or are there not U.S. developers at CA who are losing their jobs to overseas developers? My answer is no. That is not the approach we're taking. —Don Tennant

MORE ONLINE

To read an expanded version of this interview, visit our Web site: www.computerworld.com

HP, Sun Launch RFID Test Centers

Each offers services to help companies comply with product tagging mandates

BY CAROL SLIWA

The RFID bandwagon continues to pick up steam, as Hewlett-Packard Co. and Sun Microsystems Inc. launch test centers and other offerings to assist companies facing mandates from retailers such as Wal-Mart Stores Inc. to adopt the technology.

Last week, Sun opened the doors to its 17,000-square-foot RFID Test Center in Carrollton, Texas, where companies can test and evaluate equipment in an environment that simulates the warehouses where they will deploy radio frequency identification tags and readers. Sun also plans to get long-term business benefits by integrating RFID data with their back-end systems.

Meanwhile, HP today will announce the launch of its RFID Center of Excellence in Palo Alto, Calif., where customers can learn more about the vendor's RFID vision, build RFID road maps and conduct proofs of concept.

"It's a good place to show people what's possible, how things are going to look, what's going to pan out," said Salil Pradhani, chief technologist for HP's RFID program.

HP plans to share lessons it has learned as a participant in the pilot that Wal-Mart launched last month with eight product manufacturers at select stores and one regional distribution center in the Dallas/Fort Worth area, according to Pradhani. HP is affixing RFID tags to pallets, cases and boxes of PCs, printers, scanners, ink-jet cartridges and other products it ships to Wal-Mart.

HP's services unit also introduced a trio of new offerings: an RFID Discovery Service to help companies that are developing their own RFID strategies; an RFID Readiness Assessment that calls for a review of business

processes, applications and infrastructures to produce a deployment road map; and an RFID Adaptive Starter Kit to help companies justify their investments through proofs of concept conducted at their own sites or at the HP center.

Building a Business Case

But internal experience with RFID had little to do with Corros Corp.'s selection of HP to help with a pilot project to ensure that its tags and readers work accurately, said CEO Nirvin Chandaria. He said he wanted to work with a company that cuts through bureaucratic red tape, gets excited about taking risks and understands both technology and business.

North York, Ontario-based Corros, a supplier of artificial fire logs and other products to Wal-Mart, is also working with HP on software that will help the company make use of the data generated by RFID systems, Chandaria added.

Although many industry analysts say Wal-Mart's suppliers are having a tough time

building an internal business case for RFID, Chandaria said he has no doubt that his company's investment in RFID technology will be worth it.

Victor Garcia, the managing principal for HP's wireless and mobility program in Toronto, predicted that Corros will see a return on its investment within a year or two, based on increased inventory visibility and improved efficiencies.

Sun and Paris-based Cap-

gemini announced last week that they are launching a jointly developed RFID service and product offering that is aimed at optimizing the full supply chain.

Joan Carlos Soto, director of advanced development at Sun, said Capgemini brings RFID expertise, and his company brings the systems to analyze, manage and process the data that will be generated.

But Jeff Woods, an analyst at Gartner Inc., said that if customers merely want to comply with the Wal-Mart mandate by taking a "slap and ship" approach, such partnerships and expensive offerings will fall apart. "You don't need \$300-an-hour consultants to tell you how to label products," he said.

Woods claimed that most suppliers facing compliance deadlines from Wal-Mart have given up on finding an internal business case at this point.

☐ 46748



COMPANIES CAN TEST RFID equipment at Sun's new test center in Texas.

Printing Services Getting Outsourced to Cut Costs

Some companies find equipment too expensive to own, hard to keep track of

BY PATRICK THIBODEAU

Ford Motor Co. estimates that its maintenance and support costs for office printing are in the range of \$40 million to \$50 million. But that's only an estimate. While Ford knows how many PCs it has — 122,000 — it can't say for certain how many printers are installed.

"The reality is, we don't know how many devices we've got," said Clive Johnson, Ford's European desk-side services manager. But based on its studies and pilots, the automaker maintains that under its recently signed agreement with Hewlett-Packard Co., it can reduce printing costs by 20% to 30%.

Johnson said he's become so aware of the cost of printing that when he sees papers in a wastebasket, "I don't see paper in there, I see dollars in there."

Ford officials last week shared details of a printer outsourcing agreement it signed with HP, which follows pilot projects at Ford facilities in London and Dearborn, Mich. Ford and HP officials declined to disclose the value of the contract, however.

Ford is one of the largest and most visible companies to outsource its printing services.

But analysts say there's accelerating interest in improving printer management, and in many cases, companies may choose to outsource.

"The problem that Ford has is very, very common," said Ken Weilerstein, an analyst at Gartner Inc. in Stamford, Conn. Most companies don't

know how much they are spending, he said, adding, "They don't really know how they are using the equipment, and they really can't pinpoint the benefit from what they've got."

Gartner estimates that by the end of next year, 60% of companies will have undertaken initiatives to cut document printing costs. "It is very much the topic of interest," said Weilerstein.

Ford has a proliferation of printers that came into the company "one way or another," said Johnson. These printers aren't managed and are often ink-jet models, which are cheap to buy but

expensive to run, he said.

The company began looking at options several years ago, examining multifunction devices that can scan and fax as well as print, but it felt that the technology wasn't mature. That opinion has changed.

HP will install multifunction laser printer devices that

can be networked, giving Ford the ability to monitor printer use through a portal. Ford employees will replace paper and toner, but HP will manage the remaining functions.

Printer outsourcing is paid in a variety of ways, from per page to fixed rates. But key to any payment method is having a view into how printers are used, analysts say.

Tim Armstrong, chief financial officer and former CIO at Vinson & Elkins LLP, has outsourced printing operations for the past three years to Lexmark International Inc. in Lexington, Ky. Attorneys at the Houston law firm print about 30 million pages annually. Printing costs used to account for about 5% of its IT spending; they're now about 2.9% to 3.2%. Armstrong said he believes costs will decline further as the firm installs more shared printers. ☐ 46749

MORE ONLINE

Multifunction firms can receive integrated offerings as a result of an outsourcing deal between HP and EBP Group.

QuickLink 46756
www.computerworld.com

60%

HP, Sun Launch RFID Test Centers

Each offers services to help companies comply with product tagging mandates

BY CAROL BLUM

The RFID bands upon companies to pick up steam, as Hewlett-Packard Co. and Sun Microsystems Inc. launch test centers and other offerings to assist companies facing mandates from retailers such as Wal-Mart Stores Inc. to adopt the technology.

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North America, the most important, a supplier of industrial fans, fans, and other products to Wal-Mart, is also working with HP on software that will help the company make use of the data generated by RFID systems, Chandra added.

Although many industry analysts say Wal-Mart's suppliers are having a tough time

standing in its retail business, HP's RFID Center said it has no doubt that it is a company's investment in RFID technology will pay off in the long run.

A recent survey of the technology group of HP's services unit predicted that 60% of manufacturers will use RFID technology in the next five years, up from 30% in 2003, and improved efficiency, Sun and Paresi says.



COMPANIES CAN TEST RFID equipment at Sun's new test center in Texas.

Printing Services Getting Outsourced to Cut Costs

Some companies find equipment too expensive to own, hard to keep track of

BY PATRICK THORSTAD

Ford Motor Co. estimates that its maintenance and support costs for office printing are in the range of \$30 million to \$80 million, but that's only an estimate. While Ford knows how many PCs it has—172,000—it can't say for certain how many printers are installed.

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know how much they are spending, he said, adding, "They don't really know how they are using the equipment, and they really can't pinpoint the benefit from what they've got."

Gartner estimates that by the end of next year, 100% of companies will have undertaken initiatives to cut document printing costs. "It's very much the topic of interest," said Wellenstein.

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The company began looking at options several years ago, examining multifunction devices that can scan and fax as well as print, but it felt that the technology wasn't mature. That option has changed. HP will install multifunction laser printer devices that

will be managed by a central server, which will track ink usage and manage the fleet of printers, HP and Paresi say.

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Q4748

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MORE ONLINE

Microsoft's new "imaging" photo software is a result of its collaboration with a former HP and BP (Dial).

HP will install multifunction laser printer devices that



ON THE MARK

HOT TECHNOLOGY TRENDS NEW PRODUCT NEWS AND INDUSTRY GOSSIP

SCO Cuts Jobs In Bid for Profits

The SCO Group Inc. said it has laid off an unspecified number of workers in an effort to make its Unix software operations profitable by the end of its third quarter in July. A spokesman said the cuts affected less than 10% of the London, Utah-based vendor's 275 employees. But he added that the move involved workers in all departments, including engineering.

Delta Stays Mum on Cause of IT Glitch

Delta Air Lines Inc. declined to comment about the cause of a systems glitch that forced it to cancel about 40 flights and delay an unspecified number of departures on May 1. The Atlanta-based airline has "resolved the situation," said a spokeswoman. But she added, "as a matter of company policy, we will not provide additional information on the issue to ensure the protection of our IT systems."

Gates Pays Fine Over Stock Buy

The U.S. Department of Justice said Bill Gates, Microsoft Corp.'s chairman and chief software architect, has agreed to pay an \$800,000 civil penalty to settle charges that he violated stock-buying requirements in 2002. The case involved a \$50 million stock purchase that Gates made in ICDS Corp., a pharmaceutical maker in Bethesda, Wash., through his personal investment company.

Short Takes

THE BRITISH BROADCASTING Corp. has chosen Accutune Ltd., Computer Sciences Corp. and Siemens AG as the finalists for an IT services deal that will include the sale of its BBC Technology Holdings Ltd. unit. . . . SAP AG said it plans to increase its head count of software developers in India to 1,500 by year's end, up from about 1,000 now.



Scrapping and Fixing Data Can Cost . . .

... companies at least 10% of their yearly revenue. And if your data quality is bad enough, that figure can reach a staggering 25%. That's the analysis of Larry English, president of Information Impact International Inc., a data quality consultancy with

headquarters in Brentwood, Tenn. He points out that it's not cheap to hunt down and eliminate a lot of bogus information. But indirect costs can be far greater — you could lose customers if you jerk them around with bad information, and ambiguous or absent data could result in missed opportunities. So, it's undoubtedly a Martha-Stewart-quality good thing that Firstlogic Inc. in La Crosse, Wis., this week unveils its beta version of IQ8 Integration Studio. The new product helps you work with your line-of-business colleagues to define data quality policies that can be applied across all applications throughout the company. It uses standards-based Web services to link to other programs. It also comes with Data Quality Blueprints, templates designed for specialized data quality needs such as those of consumer marketing groups. The product can be run in batch mode or be applied to real-time trans-

actions. It works with data on Oracle, SQL Server and MySQL databases. DR2 compatibility is in the works. The IQ8 Integration Studio will be generally available June 30, with prices starting at \$800,000.

Multifunction network appliance claims . . .



BILL KISH says no network appliance can claim to do everything.

... link load-balancing vendor, Bill Kish, CEO and CTO of Coyote Point Systems Inc. wants to respond to statements made here by Craig Stoffer, marketing vice president at Redline Networks Inc. IQuickLink 45982L "You can produce an appliance that you claim can do everything. But it won't do anything particularly well," Kish fires back. He says he has heard such claims from other companies, too. But he argues the only vendor that could conceivably make such

a claim is his neighbor Cisco Systems Inc. "And, as far as I know, they're not," he adds. Kish suggests that

"dedicated solutions" are far better because the engineers don't stray too far from their area of expertise. Still, in the coming months, San Jose-based Coyote Point Systems will add data compression to its line of Equalizer traffic management appliances and shift from building its hardware to getting it directly from Dell Inc. and adding the software. Equalizer appliances start at \$3,995.

New network traffic management vendor elbows . . .

... its way into crowded market. What with Cisco, Coyote Point Systems, Netscaler Inc. Redline and many others offering an array of traffic management jacks, you'd think that would be enough. Nope. This week comes the announcement that Crescendo Americas Inc. in Dublin, Calif., will open its doors for business, selling the CN 5000-F appliance running its Maestro network traffic management software. President Steve Elston says that with 1 Gbit/sec Ethernet making headway in data centers and 10 Gbit/sec "just around the corner," Web application and database servers will collapse under the increased load. The appliance, now in late beta, will ship in early June and set you back about \$19,995.

Sarbanes-Oxley smiles on BPM . . .

... vendors that offer compliance templates. Suppliers of business process management (BPM) — not to be confused with the other BPM (business performance management) tools are quickly churning out mod-

ules with dashboard viewers so executives can check at a glance whether they are in compliance or in danger-Will Robinson territory. The willingness of jail-conscious CEOs and CFOs to sign hefty checks for BPM software helped propel 15% growth for the market segment last year, according to Dataquest Inc.

Sebastian Rivse, director of product development at CommerceQuest Inc. in Tampa, Fla., says last year was also the first time BPM ceased to be "a solution looking for a problem." Competitor Daryn Walters, vice president of worldwide marketing at HandySoft Global Corp. in Vienna, Va., adds that buying patterns shifted in 2003 from purely an IT sell to one that now includes the business units, which seem more willing to invest than IT did. Sensing that they have a chance to broaden their value inside companies, BPM vendors are dipping their toes into new areas. For example, an upcoming release of CommerceQuest's Traxion BPM software will be able to integrate with Microsoft Project — or eliminate it, since Traxion will have a complete project management engine. And HandySoft, which this week unveils its BizFlow 9 upgrade, includes a new simulation tool that lets you run what-if scenarios on how changes to a business process will affect an organization. It will also come with a risk mitigation feature that warns users



when a given process's conditions get out of whack. Look for BPM to become the blazing buzzword (or is that buzz-acronym?) of 2004. **C 46730**

BRIEFS

SCO Cuts Jobs
In Bid for Profits

The SCO Group Inc. said it has laid off an unspecified number of workers in an effort to make its Unix software operations profitable by the end of its third quarter in July. A spokesman said the cuts affected less than 10% of the Linden, Utah-based vendor's 275 employees. But he added that the move involved workers in all departments, including engineering.

Delta Stays Mum on
Cause of IT Glitch

Delta Air Lines Inc. declined to comment about the cause of a systems glitch that forced it to cancel about 40 flights and delay an unspecified number of departures on May 1. The Atlanta-based airline has "resolved the situation," said a spokeswoman. But, she added, "as a matter of company policy, we will not provide additional information on the issue to ensure the protection of our IT systems."

Gates Pays Fine
Over Stock Buy

The U.S. Department of Justice said Bill Gates, Microsoft Corp.'s chairman and chief software architect, has agreed to pay an \$800,000 civil penalty to settle charges that he violated stock-buying requirements in 2002. The case involved a \$50 million stock purchase that Gates made in ICOS Corp., a pharmaceutical maker in Bethel, Wash., through his personal investment company.

Short Takes

The BRITISH BROADCASTING CORP. has chosen Accurate Ltd., Computer Sciences Corp. and Siemens AG as the finalists for an IT services deal that will include the sale of its BBC Technology Holdings Ltd. unit. . . . SAP AG said it plans to increase its head count of software developers in India to 1,500 by year's end, up from about 1,000 now.

ON THE MARK

HOT TECHNOLOGY TRENDS, NEW PRODUCT
NEWS AND INDUSTRY GOSSIP BY MARK HALLScrapping and Fixing
Data Can Cost . . .

. . . companies at least 10% of their yearly revenue.

And if your data quality is bad enough, that figure can reach a staggering 25%. That's the analysis of Larry English, president of Information Impact International Inc., a data quality consultancy with

headquarters in Brentwood, Tenn. He points out that it's not cheap to bust down and eliminate or fix bogus information. But indirect costs can be far greater — you could lose customers if you jerk them around with bad information, and ambiguous or absent data could result in missed opportunities. So, it's undoubtedly a Martha-Stewart-quality good thing that Firstlogic Inc. in La Crosse, Wis., this week unveils its beta version of IQ8 Integration Studio. The new product helps you work with your line-of-business colleagues to define data quality policies that can be applied across all applications throughout the company. It uses standards-based Web services to link to other programs. It also comes with Data Quality Blueprints, templates designed for specialized data quality needs such as those of consumer marketing groups. The product can be run in batch mode or be applied to real-time trans-

actions. It works with data on Oracle, SQL Server and MySQL databases. DB2 compatibility is in the works. The IQ8 Integration Studio will be generally available June 30, with prices starting at \$900,000.

Multifunction network
appliance claims . . .

Kish says his multifunction appliance can claim to do everything.

actions. It works with data on Oracle, SQL Server and MySQL databases. DB2 compatibility is in the works. The IQ8 Integration Studio will be generally available June 30, with prices starting at \$900,000.

... it's lead-bolting vendor. Bill Kish, CEO and CTO of Coyote Point Systems Inc. wants to respond to statements made here by Craig Stouffer, marketing vice president at RedLine Networks Inc. [QuickLink 458021. "You can produce an appliance that you claim can do everything. But it won't do anything particularly well," Kish fires back. He says he has heard such claims from other companies, too. But he argues the only vendor that could conceivably make such

a claim is his neighbor Cisco Systems Inc. "And, as far as I know, they're not," he adds.

Kish suggests that "dedicated solutions" are far better because the engineers don't stray too far from their area of expertise. Still, in the coming months San Jose-based Coyote Point Systems will add data compression to its line of Equalizer traffic management appliances and shift from building its hardware to getting it directly from Dell Inc. and adding the software. Equalizer appliances start at \$3,995.

New network traffic
management vendor
elbows . . .

... its way into crowded market. What with Cisco, Coyote Point Systems, NetScaler Inc., Redline and many others offering an array of traffic management gear, you'd think that would be enough. Nope. This week comes the announcement that Crescendo Americas Inc. in Dublin, Calif., will open its doors for business, selling the CN 5000-E appliance running its Maestro network traffic management software. President Steve Elson says that with 1 Gigabit Ethernet making headway in data centers and 10 Gigabit "just around the corner." Web, application and database servers will collapse under the increased load. The appliance, now in late beta, will ship in early June and set you back about \$19,995.

Sarbanes-Oxley
smiles on BPM . . .

... vendors that offer compliance templates. Suppliers of business process management (BPM) — not to be confused with the other BPM, business performance management) tools are quickly churning out mod-



COYOTE POINT'S EQUALIZER 450

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when a given process's conditions get out of whack. Look for BPM to become the blazing buzzword (or is that buzz-acronym?) of 2004. © 46730

BPM revenue in 2003, according to Dataquest.



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Cisco Adds Support for WLANs to Its Switches

New module will let Catalyst 6500s centrally manage wireless networks

BY BOB BREWIN

CISCO SYSTEMS INC. last week announced plans to add wireless LAN management capabilities to its Catalyst 6500 switch line, a move that will give IT managers the ability to control their wired and wireless networks from a single device.

Cisco is aiming the Wireless LAN Services Module (WLSM) at large corporate,

academic and health care networks, said Bill Rossi, vice president of its WLAN division. He added that the Catalyst 6500 add-on supports 50-millisecond handoffs between wireless access points when end users roam across WLAN subnetworks, improving Cisco's ability to support applications such as voice over IP.

Network managers can also use WLSM-equipped switches to add firewalls plus intrusion-

detection and filtering capabilities to WLANs, Rossi said. In addition, they can segment groups of mobile users and give them different levels of access to data.

John Hummel, CIO at Sutter Health in Sacramento, said he's testing the WLSM and plans to use the device to manage Cisco-based WLANs in Sutter's 25 hospitals in California. He also intends to use the module to manage VoIP calls when Sutter starts testing hands-free voice devices made by Vocera Communications Inc. later this year.

Sutter is engaged in a massive project to upgrade its hospital buildings and the IT networks in them. Many of the hospitals are insulated with asbestos, and Hummel said installing WLANs is far less expensive than the cost of the asbestos mitigation work that would be needed to build new wired networks.

The base configuration of the WLSM costs \$8,000 and can manage up to 150 of Cisco's access points. For another \$8,000, users can buy a license for the company's Inter-networking Operating System software that lets them control a total of 300 access points. Rossi estimated that the total cost of adding a WLSM module to a Catalyst 6500 switch and installing wireless access points would be between \$500

and \$1,000 per access point.

That would be roughly comparable to what competitors like Airespace Inc. and Symbol Technologies Inc. charge for switch-based systems that only manage WLANs. For example, San Jose-based Airespace sells its access points for \$400 and switches for \$12,000 to \$14,000. Jeff Aaron, senior manager of marketing at Airespace, said that he found "nothing surprising" in the WLSM announcement and claimed that Cisco was following his company's technology lead.

Aaron acknowledged that Cisco's addition of WLAN support to its market-leading switches could put competitive pressure on Airespace, but he said Airespace hopes to continue taking advantage of its reseller deals with Alcatel, NEC Corp. and Nortel Networks Ltd.

"Airespace put the switch into wireless, and Cisco put wireless into the switch," said Craig Mathias, an analyst at Forpoint Group in Ashland, Mass. He added that he thinks the market for enterprise-class WLANs is starting to heat up now that many security concerns have been resolved.

Cisco has been a proponent of decentralized WLANs, but Rossi said the addition of the WLSM isn't a wholesale change. The company will continue to build software that manages the airwaves and security functions into its access points, he said. **CB 4676**

Cisco Rivals Ready WLAN Responses

In the wake of Cisco's Wireless LAN Services Module announcement, Airespace and Symbol Technologies will both announce plans to beef up their WLAN product lines at this week's Network-Interop conference in Las Vegas.

Airespace will introduce its Intelligent RF Access Point, which uses so-called smart antenna technology to improve WLAN performance. Four receive and four transmit antennas are

mounted on the access point, allowing it to select the best radio frequency path to and from mobile users, said Jeff Aaron, senior marketing manager at Airespace.

The multiple-antenna setup also helps reduce interference between access points and client devices and can help IT managers zero in on rogue access points installed on a network, Aaron added. The new access point is due in the third quarter and will be priced at an under-

closed premium over Airespace's standard access points, which sell for about \$400.

Airespace also plans to introduce software that can pinpoint the locations of mobile devices "within a few meters" using radio frequency fingerprinting technology developed by the company, along with a location appliance that can track thousands of wireless clients simultaneously, Aaron said.

Hollister, N.Y.-based Symbol

Technologies will announce its Mobility Service Suite, a set of applications that IT managers can use to automatically provision, configure and manage mobile devices and WLANs. Lee Williams, general manager of Symbol's mobility division, said the software will be available in July or August.

—Bob Brewin

MORE I-1 NEWS

For additional coverage of the conference and products being announced here, visit our Web site

QuickLink 46738
www.computerworld.com

Proposed Bill Seeks Stronger Privacy Protection Offshore

Status of data now offshore unclear

BY JAHIRUAM VILANAR

Proposed legislation in Congress could have some important privacy and security implications for companies outsourcing work to offshore destinations.

The bill (S2322), called the Safeguarding Americans From Exporting Identification Data

Act (SAFE-IDA), was introduced by Sen. Hillary Rodham Clinton (D-N.Y.) last month.

It has been referred to the Senate Committee on Commerce, Science and Transportation.

Calls to Sen. Clinton's office seeking comment weren't returned, so it's unclear whether a hearing on the bill has been scheduled or whether a companion bill has been introduced in the House.

"We don't know if this thing has legs or not yet," said Peter Adler, a partner at Foley & Lardner LLP in Washington. "But I don't think that this will

be the last we are hearing of bills such as this." California alone has more than a half-dozen pending bills that seek to impose varied privacy safeguards on outsourced personal information.

Driving interest in such legislation are the growing privacy concerns relating to

financial and health care information being sent offshore as part of outsourcing initiatives, including medical transcription work, he said.

SAFE-IDA proposes a set of privacy-related conditions that need to be met by U.S. companies transmitting personally identifiable information to a foreign affiliate or subcontractor. Under the proposed act, companies could transmit such information to any coun-

try that is deemed by the Federal Trade Commission to have a legal system that provides for "adequate privacy protection."

But the law as proposed doesn't address data that has already been transmitted to and stored in foreign locations, said Stephen Wu, CEO of Infosys Law Group, a law firm in Mountain View, Calif. It's also vague about what would happen in situations when data might be retransmitted by subcontractors, said Wu. "There's going to be a lot of interpretations if this becomes law," he said. **CB 4676**



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Sasser Outbreak Demonstrates Need for Quick Patch Response

Vulnerability management is key to defenses as attackers improve tactics

BY JAHNURU VILVIAN

LAST WEEK'S Sasser worm outbreak, which disrupted operations at some businesses while leaving most virtually untouched, highlighted the difference a good vulnerability management strategy can make in a company's defenses, users and analysts said.

The W32/Sasser worm started spreading on April 30, and by the middle of last week, it had infected hundreds of thousands of systems globally.

The worm took advantage of a flaw in a Windows security and authentication component that Microsoft Corp. disclosed on April 13. Microsoft released a patch to fix the problem on the same day, and

since then, the company and several security experts have been urging users to install the update as soon as possible.

The fact that the worm managed to infiltrate some corporate networks despite the warnings shows that there is still progress to be made in promptly responding to such vulnerabilities, said Art Manion, a member of the CERT Coordination Center at Carnegie Mellon University.

"Some organizations have streamlined patching and policy management to roll out important updates in a matter of days," said Ken Dunham, an analyst at Reston, Va.-based iDefense Inc. "Others are so careful and test so many features that they end up being

vulnerable for an extended period of time."

A large majority of those infected last week were believed to be home users. But several large organizations were hit as well, including American Express Co. in New York. An Amex spokeswoman said that "some employee desktops" were affected by the worm. "But we never had any issues with our networks or service," she added.

"This was a big one. But I am amazed that it got as far as it did," said Firas Rouf, chief operating officer at Cyber Digital Security, an Aliso Viejo, Calif.-based provider of vulnerability assessment services.

“The big thing was the speed with which we were able to deploy patches to our desktops.”

BILL BLIK, GLOBAL INFRASTRUCTURE VULNERABILITY MANAGER, TRW AUTOMOTIVE

Several users said companies would have been protected if they had followed long-recommended security measures, such as knowing where vulnerabilities exist, prioritizing threats and responses, applying appropriate patches, keeping

antivirus software up to date, blocking unused ports and installing firewalls on end-user desktops.

TRW Automotive Holdings Corp. in Livonia, Mich., escaped Sasser thanks largely to new patch management software that it had just finished deploying across 22,500 systems globally. The software from Emeryville, Calif.-based

BigFix Inc. helped TRW identify vulnerable systems and deploy patches to them in an automated fashion.

"The big thing was the speed with which we were able to deploy patches to our desktops," said Bill Blisk, TRW's global infrastructure vulnerability manager.

Proactive Approach

Meanwhile, software- and hardware-based firewalls installed on every end-user system protected St. Louis-based Tripos Inc. against Sasser.

As soon as the drug research firm heard of the vulnerability, it changed the settings on those firewalls to proactively block any attacks, said Jerry Wintrose, senior network architect at Tripos. It also changed the settings on a policy enforcement server at the edge of its networks so that it would automatically shut out any remote system that might have somehow been infected, Wintrose said. (See "Extended Enforcement," page 21.)

Attackers are getting quicker and more efficient at taking advantage of new flaws. Last year's damaging Blaster worm — which Sasser was compared to — took about a month to hit the Internet after the flaw it exploited was first announced. In contrast, Sasser took less than three weeks.

Patches and work-arounds can be faulty or break existing applications and need to be carefully tested before they are deployed. Companies also need to make more of an effort to ensure that systems belonging to mobile and home-based users don't infect otherwise clean networks. But a plethora of tools are becoming available today that are making the task more manageable, Rouf said.

"It's not easy," he said. "On the other hand, it's not as hard as it used to be." ☐ 46793

Microsoft Outlines Plans for Longhorn, 64-bit Computing

SEATTLE

At its annual Windows Hardware Engineering Conference (WinHEC) here last week, Microsoft Corp. outlined its latest plans for Longhorn and 64-bit Windows, as well as a proposal designed to help users connect devices via Web services.

Jim Alchin, Microsoft's group vice president of platform, confirmed during a keynote address that Microsoft has "tied together" development efforts for the client and server versions of Longhorn, the code name for the next major Windows release. Alchin didn't clarify whether aligning development of the Longhorn client and server also means that they will be released simultaneously.

But in March, Bob Muglia, senior vice president of Microsoft's Windows Server division, told Computerworld: "They will al-

most always ship at different times in the future. Clients need slightly less beta time than servers do."

A first Longhorn beta is still planned for early next year, Alchin said. Although Microsoft has pointed to 2006 as the internal target date for the Longhorn client release, Alchin didn't give a target date for the client or server versions of the software. At WinHEC attendees received a developer preview version of Longhorn.

Also last week, Microsoft announced that it will deliver versions of Windows XP and Windows Server 2003 for 64-bit Extended Systems in the fourth quarter. Prev-

iously, the company had said only that it would ship the software in the second half of the year.

Microsoft also plans to release versions of Longhorn for Itanium and 64-bit extended systems as well as a 32-bit edition, according to Greg Sullivan, a lead product manager for Windows.

In a keynote address, Microsoft Chairman and Chief Software Architect Bill Gates said he expects that by the end of 2005, nearly all of the processors shipped by Advanced Micro Devices Inc. and the majority of the processors Intel Corp. ships will support 64-bit computing.

Gates predicted that the move from 32 to 64 bits will be

smoother and faster than previous transitions, which he said were sometimes "messy."

Microsoft executives urged hardware makers to build drivers for the upcoming 64-bit releases of Windows, lest the adoption of 64-bit computing be held back by hardware incompatibilities.

"The app compatibility is good, the OS support is comprehensive. What's the one thing we need? Sixty-four-bit drivers," Alchin said.

Also at WinHEC, Microsoft, Intel, Lucent International Inc. and Ricoh Corp. detailed new Web services technology that is designed to make it easier for users to connect devices such as printers, digital cameras and digital music players over a network.

— Jodie Evers,
IDG News Service



ALCHIN says Microsoft developers must return for Longhorn clients and server versions are being aligned.

MORE THIS ISSUE

Frank Hayes finds a method to worm writers' addresses. Page 46

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Siebel Taps IBM Sales Chief for CEO Post

Founder remains chairman, gives up management role

BY MARC L. BONHINI

THOMAS SIEBEL last week passed the CEO's mantle at the CRM vendor that bears his name to veteran IBM executive Michael Lawrie—a move that comes as Siebel Systems Inc. is trying to rebound from two-plus years of declining revenue.

Siebel will remain as chairman and continue to be a full-

time employee of the company. But he said during a teleconference that Lawrie, who previously was head of worldwide sales operations at IBM, will take over full management responsibility. "Mike runs the company," Siebel said. "The executive team reports to Mike."

Tim Arnold, IT manager at Bose Corp., said the management change probably won't have much of a day-to-day impact on the Framingham, Mass., maker of audio systems. But Lawrie's addition may help dislodge Siebel from its finan-

cial rut, added Arnold, whose company uses the vendor's sales force automation software and other applications.

"Hopefully, some new blood will make a difference," he said. "Sometimes you just need a new perspective."

However, Lawrie said he doesn't plan to make any "significant changes" to Siebel's management team over the next 12 months. The new CEO added that he intends to maintain the company's current strategy as well.

It's still unclear what the transition's effect on users will

be, said Ken Casey, vice president of corporate services and operations at Alberta Treasury Branches, an Edmonton-based bank that runs Siebel applications in its call centers and branch offices.

Casey said that he respects Lawrie and that the bank has had a "good relationship with IBM over the years." As part of the Siebel installation, the bank uses IBM's mainframe and Unix systems and Windows-based Netfinity servers, plus its MQSeries messaging software and DB2 database.

Lawrie has a lot of work to do to restore Siebel's reputation for developing products that give users "great value and great satisfaction," said Rebecca Wettemann, an analyst at Nucleus Research Inc. in Wellesley, Mass. "There are Siebel licenses [at customer sites] that are not being used. They must identify those folks and take a harder look at customer satisfaction."

Siebel's annual revenue has fallen from \$2.04 billion in 2001 to \$1.35 billion last year. The company last month reported first-quarter revenue of \$329.3 million, down slightly from the year-earlier level —



Lawrie will have full management responsibility at Siebel.

but it said software license sales rose 13% year over year.

Tom Siebel, 51, last week said he decided a year ago to split the roles of CEO and chairman. Siebel added that as chairman, he will "assist in any way I can," with his duties to include providing input on corporate strategies and working to

foster relationships with users and business partners.

Lawrie, 50, had worked at IBM for the past 26 years and was a senior vice president there. IBM and Siebel did about \$1 billion worth of joint business last year, according to Tom Siebel. In addition, IBM has an internal installation of about 60,000 Siebel end-user licenses, making it one of the CRM vendor's largest users.

Joshua Greenbaum, an analyst at Enterprise Applications Consulting in Berkeley, Calif., said adding Lawrie may not give Siebel a long-term boost. "Lawrie says he's playing the same game with the same set of cards," Greenbaum said. "And with Tom watching over his shoulder, I doubt we'll see that new, dramatic shift that Siebel needs to recapture its former glory." **46697**

SAP Seeks to Boost Use of Middleware Suite

BY MARC L. BONHINI

SAP AG plans to use its Sapphire '04 conference this week to try to sell its ERP installed base on the idea of investing in newer products, particularly the company's NetWeaver middleware technology.

At the conference, which starts tomorrow in New Orleans, SAP will unveil new bundles of its business applications and announce a deal with a large maker of consumer packaged goods to jointly develop a CRM offering for users in that market, said SAP America Inc. spokesman William Wohl. He declined to disclose the identity of the consumer goods company or provide further details about the agreement.

But SAP's main goal at Sapphire will be to demonstrate to users that products like NetWeaver can help them cut IT oper-

ating costs, Wohl said. NetWeaver, which includes an integration broker and products such as SAP's data warehousing and portal software, is designed to help users seamlessly link SAP's applications with ones from other vendors.

Lori Schock, global business process manager at silicone products maker Dow Corning Corp. in Midland, Mich., said she plans to attend Sapphire to learn more about NetWeaver and mySAP ERP, the latest version of SAP's flagship R/3 software. The conference "will allow us to validate our architectural strategy intent," Schock said, noting that

Dow Corning is running pieces of NetWeaver in pilot mode.

The NetWeaver technology could make it easier to link R/3 to SAP's Business One applications for small and midsize users and to software from other ven-

dors, Schock said. She added that she also wants to investigate SAP's radio frequency identification technology — "fact, fiction and future."

In March, SAP said it was building support for RFID tags into an upgrade of NetWeaver that is more unified than earlier versions were (QuickLink 45409). And last month, the company announced that users will be able to incorporate RFID data into a release of its supply chain management applications now in beta testing.

Mike Perreault, vice president of IT at Halliburton Co. in Houston, said he has particular interest in an employee self-service module that will be included in the next version of SAP's Enterprise Portal software, one of the NetWeaver components.

Because SAP has put so many components under the NetWeaver umbrella, it's hard to judge how widely the middleware technology is being adopted by users, said John Moore, an analyst at ARC Advisory Group Inc. in Dedham, Mass. And it's an open question whether users will swallow NetWeaver whole or just install pieces of the software. Moore said. **46728**

With Lawrie Leaving, IBM Shifts Execs

IBM last week reshuffled several of its top executives in connection with Michael Lawrie's decision to leave his sales job there and take over the CEO position at Siebel.

Doug Elix, who had been running the company's IT services and outsourcing unit since October 1999, was named to replace Lawrie as head of sales and distribution operations. Taking over for Elix at IBM Global Services is John Joyce, the company's chief financial officer for the past five years. Mark Laughridge, who had been general manager of global financing, was tapped to be CFO.

All three executives are senior vice presidents and report to Sam Palmsano, IBM's chairman and CEO.

In an internal memo outlining the changes to IBM employees, Palmsano noted Lawrie's departure had described the series of management changes as business as usual for IBM.

"The intent of these leadership changes is straightforward — to step up the pace of our marketplace execution and accelerate our strategic growth plans," Palmsano wrote.

— Stacy Cowley, IDG News Service

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Red Hat Offers Desktop Linux for Corporate Users

BY ROBERT MCMILLAN
AND TODD H. WEISS

Red Hat Inc. last week announced a desktop version of Linux that is designed for mainstream corporate users and includes open-source document-processing applications and messaging software.

The new release, called Red Hat Desktop, is a companion product to the vendor's current client-level offering, but the existing product, Red Hat Enterprise Linux WS, is aimed at technical users such as software developers and computer-aided design engineers, not office workers.

And unlike the technical release, which is sold on a per-system basis, Red Hat Desktop will be available in packages of 10 or 50 units when it begins shipping this month, said Mike Ferris, Red Hat's product marketing manager for Enterprise Linux.

Lt. Fred Wissing, application development services supervisor for the New Jersey State Police in West Trenton, plans to take a close look at Red Hat Desktop for possible use by the department's 4,000 end users. "We're going to snarf up a copy and install it and see what it can do," he said, adding that the evaluation process will include an examination of the existing end-user applications to see how many of them would have to be modified to use Linux.

Wissing said the department already uses Linux for a variety of back-office server functions, but only one power

user is currently running desktop Linux as part of a trial. Several IT staffers have also installed Linux on their desktops, he said.

Red Hat Desktop will include open-source applications such as OpenOffice 1.1, the Evolution e-mail client and the Mozilla Web browser, Raleigh, N.C.-based Red Hat said.

Dan Kusnetzky, an analyst at

market research company IDC, said the fact that Red Hat is already known in the corporate server market should help the desktop software gain acceptance from users. But Red Hat will need more than that to succeed with the product, he added.

"They're going to need partnerships with every single one of the desktop hardware suppliers," Kusnetzky said. "If there isn't a strong story about how Linux comes preinstalled on the desktop hardware of your choice, then it will not be as broadly interesting."

Ferris said Red Hat executives were working with systems vendors to develop plans for marketing the software, but he

PRODUCT DETAILS

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Costs \$2,500 per year for a 10-user proxy server startup area or \$10,500 annually for a 50-user satellite server installation

added that no hardware makers are ready to announce support for Red Hat Desktop.

Continued from page 1 Wall Street

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The plans are due by Aug. 5 for NYSE members. The NASD set deadlines of Aug. 11 for firms that clear stock trades and Sept. 10 for brokerages that initiate transactions.

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Nasdaq Is Ready For Disaster

■ The stock exchange's two data centers are located 300 miles apart — one in Connecticut, the other in Maryland.

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READ MORE ONLINE

Q&A: Red Hat CEO Matthew Stein on the market for desktop Linux

QuickLink 46679
www.computerworld.com

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Complying with the guidelines "means having people in place at another location that's not in a commutable distance to the primary site," Poulos said. Many firms may move their backup data centers to other parts of the New York metropolitan area or to more remote locations, he added.

Howard Spross, director of business continuity planning at the SIA, said the new rules shouldn't have a big impact on large firms that have been improving their disaster recovery architectures since the Sept. 11, 2001, terrorist attacks. The NASD and NYSE are simply looking to "formalize the process," he said.

"All the firms that have robust backup sites that are some distance from their primary sites," Spross noted. "But they are looking at ways to add additional sites or to increase the separation." **Q 46725**

PASSING THE TEST

Q&A: CEO Steve Randich discusses

Nasdaq's disaster recovery tests

QuickLink 46752
www.computerworld.com

Correction

IN LAST WEEK'S On the Market column, pricing for the NetScaler 9000 from NetScaler Inc. was inaccurate. The \$195,000 price is for a 5,000-user license.

Siebel Taps IBM Sales Chief for CEO Post

Founder remains chairman, gives up management role

BY MARC L. SONDHI

THOMAS SIEBEL last week passed the CEO's mantle at the CRM vendor that bears his name to veteran IBM executive Michael Lawrie—a move that comes as Siebel Systems Inc. is trying to rebound from two-plus years of declining revenue.

Siebel will remain as chairman and continue to be a full-

time employee of the company. But he said during a teleconference that Lawrie, who previously was head of worldwide sales operations at IBM, will take over full management responsibility. "Mike runs the company," Siebel said. "The executive team reports to Mike."

Tim Arnold, IT manager at Bose Corp., said the management change probably won't have much of a day-to-day impact on the Framingham, Mass., maker of audio systems. But Lawrie's addition may help dislodge Siebel from its finan-

cial rut, added Arnold, whose company uses the vendor's sales force automation software and other applications. "Hopefully, some new blood will make a difference," he said. "Sometimes you just need a new perspective."

However, Lawrie said he doesn't plan to make any "significant changes" to Siebel's management team over the next 12 months. The new CEO added that he intends to maintain the company's current strategy as well.

It's still unclear what the transition's effect on users will

be, said Ken Casey, vice president of corporate services and operations at Alberta Treasury Branches, an Edmonton-based bank that runs Siebel applications in its call centers and branch offices.

Casey said that he respects Lawrie and that the bank has had a "good relationship with IBM over the years." As part of the Siebel installation, the bank uses IBM's mainframe and Unix systems and Windows-based Netfinity servers, plus its MQSeries messaging software and DB2 database.

Lawrie is a lot of work to do to restore Siebel's reputation for developing products that give users "great value and great satisfaction," said Rebecca Wettmann, an analyst at

Nucleus Research Inc. in Wellesley, Mass. "There are Siebel licenses [at customer sites] that are not being used. They must identify those folks and take a harder look at customer satisfaction."

Siebel's annual revenue has fallen from \$2.04 billion in 2001 to \$1.35 billion last year. The company last month reported first-quarter revenue of \$329.3 million, down slightly from the year-earlier level —

said Mike Perroni, vice president of IT at Halliburton Co. in Houston, said he has particular interest in an employee self-service module that will be included in the next version of SAP's Enterprise Portal software, one of the NetWeaver components.

Because SAP has put so many components under the NetWeaver umbrella, it's hard to judge how widely the middleware technology is being adopted by users, said John Moore, an analyst at ARC Advisory Group Inc. in Dedham, Mass. And it's an open question whether users will swallow NetWeaver whole or just install pieces of the software, Moore said. ☐ 46725



LAWRIE will have full management responsibility at Siebel.

but it said software license sales rose 13% year over year.

Tom Siebel, 51, last week said he decided a year ago to split the roles of CEO and chairman. Siebel added that as chairman, he will "assist in any way I can," with his duties to include providing input on corporate strategy and working to

foster relationships with users and business partners.

Lawrie, 50, had worked at IBM for the past 26 years and was a senior vice president there. IBM and Siebel did about \$1 billion worth of joint business last year, according to Tom Siebel. In addition, IBM has an internal installation of about 60,000 Siebel end-user licenses, making it one of the CRM vendor's largest users.

Joshua Greenbaum, an analyst at Enterprise Applications Consulting in Berkeley, Calif., said adding Lawrie may not give Siebel a long-term boost. "Lawrie says he's playing the same game with the same set of cards," Greenbaum said. "And with Tom watching over his shoulder, I doubt we'll see that new, dramatic shift that Siebel needs to recapture its former glory." ☐ 46687

SAP Seeks to Boost Use of Middleware Suite

BY MARC L. SONDHI

SAP AG plans to use its Sapphire '04 conference this week to try to sell its ERP installed base on the idea of investing in newer products, particularly the company's NetWeaver middleware technology.

At the conference, which starts tomorrow in New Orleans, SAP will unveil new bundles of its business applications and announce a deal with a large maker of consumer packaged goods to jointly develop a CRM offering for users in that market, said SAP America Inc. spokesman William Wohl. He declined to disclose the identity of the consumer goods company or provide further details about the agreement.

But SAP's main goal at Sapphire will be to demonstrate to users that products like NetWeaver can help them cut IT oper-

ating costs, Wohl said. NetWeaver, which includes an integration broker and products such as SAP's data warehouse and portal software, is designed to help users seamlessly link SAP's applications with ones from other vendors.

Lori Schock, global business process manager at silicone products maker Dow Corning Corp. in Midland, Mich., said she plans to attend Sapphire to learn more about NetWeaver and mySAP ERP, the latest version of SAP's flagship R/3 software. The conference "will allow us to validate our architectural strategy intent," Schock said, noting that Dow Corning is running pieces of NetWeaver in pilot mode.

The NetWeaver technology could make it easier to link R/3 to SAP's Business One applications for small and midsize users and to software from other ven-

dors, Schock said. She added that she also wants to investigate SAP's radio frequency identification technology — "fact, fiction and future."

In March, SAP said it was building support for RFID tags into an upgrade of NetWeaver that is more unified than earlier versions were (QuickLink 45409). And last month, the company announced that users will be able to incorporate RFID data into a release of its supply chain management applications now in beta testing.

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With Lawrie Leaving, IBM Shifts Execs

IBM last week reshuffled several of its top executives in connection with Michael Lawrie's decision to leave his sales job there and take over the CEO position at Siebel.

Doug Ellis, who had been running the company's IT services and outsourcing unit since October 1999, was named to replace Lawrie as head of sales and distribution operations. Taking over for Ellis at IBM Global Services is John Joyce, the company's chief financial officer for the past five years. Mark Laughridge, who had been general manager of global financing, was tapped to be CFO.

All three executives are senior vice presidents and report to Sam Palmisano, IBM's chairman and CEO.

In an internal memo outlining the changes to IBM employees, Palmisano noted Lawrie's departure had described the series of management changes as business as usual for IBM.

"The intent of these leadership changes is straightforward — to step up the pace of our marketplace evolution and accelerate our strategic growth plans," Palmisano wrote.

— Stacy Crowley, IGS News Service

NEW SOFTWARE

SAP users to see new ERP products, Q3 2004

A set of business applications that are tailored for public sector users

A CRM bundle for midsize companies that includes software, services and best-practices guidance

Red Hat Offers Desktop Linux for Corporate Users

BY ROBERT MCILLAN
AND TOON R. WEISS

Red Hat Inc. last week announced a desktop version of Linux that is designed for mainstream corporate users and includes open-source document-processing applications and messaging software.

The new release, called Red Hat Desktop, is a companion product to the vendor's current client-level offering. But the existing product, Red Hat Enterprise Linux WS, is aimed at technical users such as software developers and computer-aided design engineers, not office workers.

And unlike the technical release, which is sold on a per-system basis, Red Hat Desktop will be available in packages of 10 or 50 units when it begins shipping this month, said Mike Ferris, Red Hat's product marketing manager for Enterprise Linux.

Li. Fred Wissing, application development services supervisor for the New Jersey State Police in West Trenton, plans to take a close look at Red Hat Desktop for possible use by the department's 4,000 end users. "We're going to start up a copy and install it and see what it can do," he said, adding that the evaluation process will include an examination of the existing end-user applications to see how many of them would have to be modified to use Linux.

Wissing said the department already uses Linux for a variety of back-office server functions, but only one power

user is currently running desktop Linux as part of a trial. Several IT staffers have also installed Linux on their desktops, he said.

Red Hat Desktop will include open-source applications such as OpenOffice 1.1, the Evolution e-mail client and the Mozilla Web browser, Raleigh, N.C.-based Red Hat said.

Dan Kusnetzky, an analyst at

market research company IDC, said the fact that Red Hat is already known in the corporate server market should help the desktop software gain acceptance from users. But Red Hat will need more than that to succeed with the product, he added.

"They're going to need partnerships with every single one of the desktop hardware suppliers," Kusnetzky said. "If there isn't a strong story about how Linux comes preinstalled on the desktop hardware of your choice, then it will not be as broadly interesting."

Ferris said Red Hat executives are working with systems vendors to announce plans for marketing the software, but he

PRODUCT DETAILS

Red Hat Desktop

- Runs on single-CPU systems with Intel or AMD processors and up to 4GB of main memory
- Comes bundled with Red Hat's network proxy or satellite server software
- Includes 30 days of telephone support and one year of Web-based support
- Costs \$2,500 per year for a 10-unit proxy server cluster pack or \$38,500 annually for a 50-unit satellite server installation

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READ MORE ONLINE

11.4.4 Red Hat CEO Martin Schulz on the market for desktop Linux

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Continued from page 1

Wall Street

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STAFF WRITER JOHNSON

Compliance Bonanzas

WHEN WAS THE last time you read about a \$40,000 retention bonus for someone with a hot skill in IT? I'll bet it was sometime around the turn of the century, when Y2k fears had CEOs wringing their hands and CFOs signing checks for whatever IT asked for.

Today, it's a different story with some eerie echoes. The latest salary bonanzas aren't tied to arcane skills in Cobol programming but to IT auditing experience applicable to the slew of regulatory compliance issues companies are facing. In our front-page story last week ("IT Auditors Coveted, Hard to Find," Quicklink 46577),



Johnson, author of "IT auditor in chief of Computerworld. You can contact her at johnson@computerworld.com

we wrote about one enterprise risk manager being courted with generous raises, bonuses and stock options from a pair of Fortune 250 companies anxious to get him on staff as the year-end Sarbanes-Oxley compliance deadline looms.

The big accounting firms are also hiring briskly to beef up their in-house expertise in everything from Sarbanes-Oxley and HIPAA to the Patriot Act, the Gramm-Leach-Bliley Act and the European Union's directive on privacy protection. Ernst & Young, for example, has expanded its IT risk practice by 50% in the past 10 months and has 200 openings to fill by the end of next month.

A lot of people I've talked with lately believe — or may be hope — that all these regulatory mandates will turn out to be another kind of bonanza for IT. That they'll force companies to clean out their data closets and reorganize business processes. That they'll usher in new project disciplines, force stronger IT-business partnerships and strengthen relationships with customers by better protecting their privacy. And, of course, that they'll elevate security

and privacy protections to new heights of corporate support.

Those are very seductive notions, and I'd love to believe them. But I also hear the distant ring of the déjà vu bell. An awful lot of ill-conceived ERP projects were launched under the banner of Y2k rescues, and those later came back to bite IT with outrageous cost overruns.

disappointing results and a wider-than-ever credibility gap with senior management. The risk of repeating history is a significant one, and there's a lot more at stake than the reputation of the IT organization.

Last week, I moderated a panel discussion at UCLA on regulatory compliance and corporate security, with a speaker lineup that included chief security officers and privacy

and legal experts. Attorney Peter Adler, a partner at Washington-based Foley & Lardner, cautioned the audience about creating silos of regulatory compliance expertise — for example, having a set of HIPAA experts in HR and a set of Sarbanes-Oxley specialists in the finance department. He advocated a unified approach to dealing with privacy laws and financial disclosure mandates, many of which have common elements and similar requirements.

At the end of our discussion, I asked the assembled experts for their single best piece of advice for IT managers dealing with the regulatory storm. "Think long and hard about who gets access to your data," one advised. "Get serious about federated identity management systems," said another. "You can never do enough employee training," one stressed.

All agreed that regulatory mandates are driving renewed urgency into IT security practices and raising awareness of privacy protection obligations for both the public and private sectors. Security risks will keep growing, new laws will keep piling responsibilities on IT, and the audit cycles will keep on coming.

If there are indeed salary bonanzas coming with all this, IT will earn each and every one of them. **46713**



Pushing IT With the Governor

WHAT HAS YOUR governor done for you lately?

I'm talking about tax credits, grant money, streamlined bureaucracy, maybe some personal attention.

If your state and local politicians aren't trying to help your IT business, they need to take some lessons from the Governor. California Gov. Arnold Schwarzenegger has been pressing the flesh thousands of miles from home as part of his effort to lure IT business to the Golden State.

In Schwarzenegger's first official trip overseas, he flew to Israel for 24 hours and begged almost 1,000 new tech jobs for the state, while making headlines as someone who will do what it takes to encourage IT firms to relocate business to the shores of the Pacific.

At the top of Schwarzenegger's tally for his day trip to Israel was Sanrad Inc., a Tel Aviv-based IT storage networking firm, which plans to put its world-

wide headquarters in Alameda, Calif., bringing 300 jobs to the new facility.

Other deals announced by Schwarzenegger include an expansion of a joint venture between Yokneam, Israel-based Arad Technologies and Sacramento-based USCL Corp. to build intelligent utility meters. Yahud, Israel-based Magal Security Systems will increase production of monitors designed to protect buildings, airports and transport facilities at its Fremont, Calif., location. Netline Communications Technologies in Tel Aviv will design and build devices to jam remote activation of bombs as part of a joint venture with Santa Cruz, Calif.-based Life Safety Systems. And Forescout Technologies will add to its operations in San Mateo, Calif., where it is working on preventing Internet hacking. Not bad for 24 hours' work.



PHOTO: PHILIP is a London-based journalist. Contact him at philip@paulnet.net

MARYFRAN JOHNSON

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PIMM FOX

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THE AGE OF INFORMATION HAS
QUICKLY SHAPTABLE
SUPREMACY FLEXIBLE
NOW ACHIEVABLE



**CHECK POINT'S SAP-FRASEC IMPLEMENTATION
SOLVED THE COMPANY'S
COMPLEXITY OF IT INFRASTRUCTURE**

The success of Check Point Software Technologies Ltd., the world's leading developer of firewall software, was founded on innovative Web service applications, which it used to support a global, third-party channel that delivered one hundred percent of the company's sales.

But success had a price: its central IT department was spending too much time maintaining the large number of applications. What's more, their IT infrastructure was a dizzying mix of different application servers, development tools, and open source components.

Using SAP NetWeaver – and, more specifically, SAP Enterprise Portal and SAP Web Application Server – Check Point was able to immediately consolidate its Web services infrastructure, doubling central IT's application development productivity. Within a year and a half, Check Point saw an ROI of 586% based on IT productivity increases and swifter rollouts. The consolidation also allowed Check Point to reduce the number of servers running their Web service applications from 11 to 3. Over five years, Check Point expects a 23% reduction in TCO.

**CARL ZEISS OPTICAL: EVOLVING
BUSINESS PROCESSES TO MEET THE
NEEDS OF A GROWING MARKET**

Carl Zeiss, a leading optical component manufacturer with 14,000 employees, needed to find a way to evolve more quickly. Consolidation among optical chains was creating new, ever-larger customers, resulting in management

scenarios of greater complexity and delays in order processing.

Using SAP NetWeaver, Carl Zeiss was able to integrate multiple systems around the needs of their customers, developing individual logistics strategies for each chain. As a result, custom orders and changes are now accommodated more easily. And the time it takes to integrate a new customer into the system has dramatically decreased.

Besides gaining more-satisfied customers, Carl Zeiss reduced the average cost per integration interface by 50%.

**SASOL: OPTIMIZING LOGISTICS WITH
SAP INFRASTRUCTURE**

Sasol, a holding company for nearly fifty separate chemical and fuel businesses around the world, had consolidated all of its core operational software around SAP. However, it still faced the challenge of properly managing a widely dispersed, and culturally diverse, workforce.

Using SAP NetWeaver, Sasol was able to create an enterprise-wide information portal for collaboration and communications between employees of different divisions, greatly increasing the company's ability to meet strategic corporate goals. The portal also served to coordinate business processes for HR, production planning, and production work flow across Sasol's various business units.

The financial results were impressive, with an ROI over five years, after tax, of 453%. But even more importantly, thanks to SAP NetWeaver, Sasol was able to become a truly global player.

Feeling a bit skeptical these days? It's perfectly understandable. After all, integrating those "best of breed" applications into your IT infrastructure turned out to be not nearly as fast or foolproof as advertised. And capturing their full value, as well as the full value of your entire infrastructure, probably still seems like a distant goal.

Given the circumstances, you did everything you could. After all, you were handed the technological equivalent of a drawerful of mismatched socks — very expensive socks.

But now you can do more — actually, quite a lot more. Read on and find out how.

Remember when it was okay for businesses to evolve slowly?

Of course you don't. Success has always been about speed: the speed of innovation, the speed of implementation. And it all just keeps getting faster.

Today, markets, customers and competitors change seemingly overnight. And so must your business processes and strategies.

Unfortunately, this rapid pace of change has exposed a fundamental weakness at many businesses: an IT infrastructure that can't evolve quickly enough to take advantage of opportunities or respond to challenges.

There are two reasons for the bottleneck. The first is complexity. By the time a new business process or strategy can be designed,

built, implemented and evaluated technologically, the window of opportunity has usually closed.

The second is monetary. Currently, 80% of the average IT budget is earmarked for operation and consolidation. Very little is left for innovation. (Source: *Strand & Associates Technology Group*, 2003.)

Can your business afford to concede opportunities to more agile competitors? Of course not.

Your task is clear, to enable your company to compete and win, you have to reduce the complexity and cost of your IT infrastructure, and reallocate more of your resources toward innovation.

Fortunately, there's a technology platform that will enable you to fulfill that task. It's called SAP NetWeaver.

But before we take a closer look at what makes SAP NetWeaver so useful, let's explore what contributes to a high, and skewed, overall TCO.

THE TYPICAL IT INFRASTRUCTURE

The typical IT infrastructure is a jumble of disparate technologies (including portals, business intelligence, knowledge management, etc.) and applications (both legacy and best of breed).

Whether you're integrating your applications into a portal or a business intelligence solution, or connecting your apps with the integration broker, it's costing you time, money, and unnecessary aggravation.

To help illustrate just how much money we're introducing a new, more complete way of identifying costs. It's called The Complete TCO Equation.

COMPLETE TCO =

- the cost of all your technologies, including their integration into a single platform
- + the cost of all your applications, including their integration into an end-to-end process
- + the cost of integrating all your technologies with all your applications

From this point of view, it's no surprise that integration has been likened to a sinkhole, draining money from innovation and preventing our business processes and strategies from evolving as quickly as they need to.

But what if you could transform integration into a far simpler, less expensive, less painful process – no matter whose technology or applications you're integrating? Now you can – with SAP NetWeaver.

SAP NETWEAVER

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Imagine being able to quickly and efficiently align IT with your business's needs, to drive new strategies for growth while minimizing risk and cost, to compose new business processes on top of existing systems.



It's all possible with SAP NetWeaver. SAP NetWeaver is an open, standards-based integration and application platform that greatly reduces the complexities of integration. Its components include a portal, an application server, business intelligence, and integration and data consolidation technologies.

With SAP NetWeaver, you capture the full value of the technology you already have in place, and pave the way for future technology – SAP or non-SAP.

The result: an opportunity to achieve significantly greater flexibility at a far lower, sustainable TCO.

Bottlenecks disappear. Timetables are met. Business goals are achieved. Your entire

IT architecture is elevated from an enabler of work into an enabler of change.

For current SAP customers, there's even more of an advantage: SAP NetWeaver comes pre-integrated for SAP solutions, which greatly reduces the costs associated with systems integration.

But SAP's customer or not, there's one thing that should be clear: of all the software providers in business today, SAP is uniquely positioned to deliver integrated technologies and technologies integrated with applications.

If that concept piques your interest, we suggest you visit sap.com/netweaver where, we hope, your curiosity will be integrated with our solutions.


sap.com/netweaver

THE BEST-RUN BUSINESSES RUN SAP



Sure, not all governors have the star power or the love of IT that Schwarzenegger has. (In *The Terminator*, the computer code auditions see through Schwarzenegger's eyes is a mixture of C++ and assembly code for the Apple II computer.) And maybe you're not into the political scene. But you've got to push pots to work for you.

If you're not hobnobbing with elected officials who can blast through red tape to help you increase productivity, you're missing out. If you're ignoring the meet-and-greet sessions with local party hacks who can insert favorable rules into state legislation, then you're not firing on all cylinders.

Does this sound cynical and manipulative? It isn't.

Running an IT business is no easy task. Competitors are trying to beat you on price, customers demand ever-higher-quality service at lower costs, and attracting talented and loyal workers is time-consuming and expensive.

Big corporations use the tax code to their advantage and aren't shy about asking for government handouts to keep business humming.

Think of all the things government could do to help IT at the operational level, from hiring to research grants.

And who knows—maybe you could get some free acting lessons. ☐ 46652

DAN GILLMOR

A Road Warrior's Inventory

I'VE BEEN a fairly hard-core road warrior for the past few years. Users like me are a challenge for IT departments, because we're trying to replicate the best parts of our offices in one carry-on bag.

My own gadget bag is a continually evolving set of tools, the kind that make it possible to be connected and up to speed pretty much anywhere I happen to be. Your mileage may vary, but these tools work for me.

I start with an aluminum Macintosh G4 PowerBook with a DC charger that works in the car and on airplanes, in addition to the regular wall charger.

It worries me how much of my professional existence is in this thing. That's why I also carry an IBM Fire-

Lite device from SmartDisk for routine backups, including a daily backup of essential files such as chapter drafts of a book I'm nearly finished writing. I lost a bunch of important e-mails in the middle of 2003 and decided that it wouldn't happen again. I keep the disk drive in a separate place in my hotel room.

Laptops are harder than ever, but they're not indestructible. On planes, I carry my Mac "double-wrapped." I put the computer in a padded, ballistic-nylon "sleevecase" from WaterField Designs. The sleevecase then goes into a carry-on bag that adds further protection.

Once I get to my hotel room, I pull out the sleevecase and attach a padded shoulder strap and piggyback bag that holds my power supply as well as a notebook (analog), a digital camera, a couple of cables and other small items. That way I can leave the big bag in the



hotel instead of schlepping it around.

I'm a convert to the phone/PDA routine. My PalmOne Treo 600 is the best combo device I've seen so far. I've been loading a bunch of third-party software onto it, including a Freecell game for emergency boredom cures.

To carry the Treo, I use a padded camera pouch that attaches to my belt. I also have a retractable sync and cable/charger thingy, which saves lots of room and is vastly more convenient.

I put a 512MB memory card into the Treo, found a third-party MP3 player and now listen to music on the Treo. It's not as nice as Apple's iPod, but it's one less thing to carry.

One vital road-warrior tool is a pair of noise-canceling headphones, which make a huge difference in reducing fatigue from long plane rides. At the moment, I'm using the Sennheiser

PXC250 model. I'm eyeing the new Bose set, but it's twice as expensive.

Then there's an assortment of other cables, including a retractable phone, Ethernet and FireWire line. I love the convenience of the ones that wind up inside a spool, helping me avoid cord spaghetti. And, of course, I have extra batteries, a USB adapter for various device memory cards to download pictures and transfer files, and several notebooks, pens, tissues, antibacterial hand wipes, decongestant nose spray (essential if you fly with a cold) and other basic remedies and vitamins.

One crucial addition: a paperback book. I never know when I might be waiting in line (the immigration line at Tokyo Narita took an hour last month), and it's always nice to have something to read. Not all of life is digital. ☐ 46656

WANT OUR OPINION?

More columns and links to archives of previous columns are on our Web site: www.computerworld.com/columnists

READERS' LETTERS

HP Betrays Users

THE MPEx operating system is one of the best ever written.

HP Responds to Pressure from 3000 Users. QuickLink 46280.

Although it can't run on open platforms, most businesses don't want their primary systems to be that open. We want it to be secure and to do the core business without interruptions.

I've been an HP 4300 user, programmer and manager for 20-plus years. I saw the mistakes made by Hewlett-Packard during the 1980s with the HP 3000. Now third-party vendors are once-gauging 4300 customers, and HP is turning its back on loyal customers. The great problems and expense I've experienced during the dumping of the HP 4300 have left a bad taste in my mouth. I'm recommending that the company I work for not purchase any HP equipment in the future. The HP "W" has gone astray!

Bryan Goodwin
Senior software engineer,
Springfield, Ore.

Open-Source Keeps Mainframes Alive

MAINFRAMES are far from "going away." I've written *IBM 360's 40th Anniversary*.

QuickLink 46119. As Marc Veen operations support at Altair Inc., put it: It's too bad Altair chose to discard the very system that could enable it to move to open systems.

Over the last several years, IBM has made tremendous progress in adding open-systems technology to its mainframe product line. Whether by accident or intent, IBM has continued the root definition of the original 360 philosophy of using one system for all needs, by including support for Linux and Java.

Bruce A. McNight
zGroup principal, Boundless Flight Inc., Cleveland,
Bruce@BoundlessFlight.com

Many Tools Need Real-Time Abilities

WHILE reservations systems can benefit from being real time, there are other systems that have always needed that capability and tried to provide it. "Almost Real Time," QuickLink 46191. The air traffic control systems are one type. State and local police departments' variant and "warmed" systems are another. No one wants to pay a line or clear his case only to be arrested two minutes later on the same warrant. Our military systems and NASA have had similar require-

ments. Many systems need immediate updating if they are to deliver the value everyone desires from them. I suspect that historically, government IT systems have been as interested in real-time systems as commercial enterprises, and perhaps even more interested in them.

Gene Lauer
Senior programmer, St. Louis

Calculating Risk

RESEARCHING the article "Big Four Accounting Firms Join in Cyber Risk Effort" (QuickLink 45597), I have to say that something similar was done already in the Open Source Security Testing Methodology Manual (www.osstmm.org). This methodology is a true open-source initiative that has over 1,000 volunteers worldwide, including members of the Big Four. Last month, we released the Risk Assessment Values at the ISEC2003 event in Barcelona and again at symposiums in France, Spain and Italy.

The RAVs provide quantitative risk assessment based on security tests and quantify risk in two parts: additional risk, which is inherent risk in doing business, and actual risk, which is the current state of the network regarding vulnerabilities.

Together with results from best-

effort practices like ISO 17799, BS 7799, OCTAVE and other risk assessment methodologies, the security management and operations approach can be combined with the OSSTMM for very accurate risk assessment calculations. Additionally, the results can best be analyzed by a professional security analyst who may make manual verifications prior to processing and quantifying the risks. This prevents the problem of "trusting the tools," which has led to many false security assumptions and poor risk analyses.

Pete Herzig
Managing director,
Institute for Security
and Open Methodologies,
Barcelona, Spain,
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TECHNOLOGY

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FUTURE WATCH

Computational Origami

Some pioneering researchers in this new field believe the math behind paper folding could help decode the "bad" protein folds thought to cause diseases such as Alzheimer's and mad cow. **Page 26**

SECURITY MANAGER'S JOURNAL

Security Policy a Paper Tiger

Despite explicit policies in Mathias Thaurman's company, problems with rogue access points and incident-response procedures haven't abated. **Page 28**

OPINION

Living Down to a Low Standard

Nicholas Petreley says the latest version of the GNOME graphical desktop environment continues an unfortunate trend in which each new version of the software is worse than the last. **Page 30**

EXTENDED

BY JAIKUMAR VIJAYAN

LIKE MANY COMPANIES, for several years Triplos Inc. has required employees who work remotely to install a firewall and antivirus software on the laptop or desktop PCs they use to connect to the corporate network via VPN.

But it wasn't until about a year ago that the St. Louis-based drug research company adopted measures to enforce end-user compliance with those requirements.

Technology from InfoExpress Inc. in Mountain View, Calif., helps Triplos monitor and audit all remote end-user systems to ensure that they have active firewalls and updated antivirus software. Systems that don't have both are automatically shut out of the Triplos network.

Triplos is one of a growing number of companies turning to monitoring and auditing technologies such as those from InfoExpress to enforce policy compliance at vulnerable network endpoints. The tools, many of which require software agents to be installed on client devices, inspect systems for active firewalls, the latest antivirus signatures, secure configuration settings and unauthorized privilege escalation.

The demand for such endpoint enforcement technologies is being driven by growing concerns that remote client devices could be compromised and used by attackers to gain entry

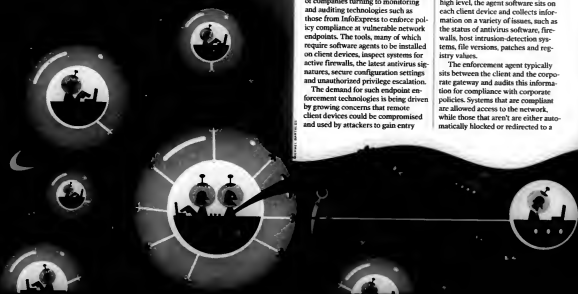
into core production systems, says Jerry Wintrod, senior network architect at Triplos. For instance, this month's Sasser and last year's Blaster and Slammer worms spread primarily via infected client systems.

Privacy concerns and regulatory issues are also creating a need for endpoint compliance.

"Until you have something that absolutely enforces policies, you may as well admit that you have a back door into your network," Wintrod says. "You could make all the policies you wanted to and educate your employees until they are all security experts. But someone is still going to screw up."

For the most part, endpoint compliance technologies include agent software that's installed on end-user systems, an enforcement component and a policy management server tool. At a high level, the agent software sits on each client device and collects information on a variety of issues, such as the status of antivirus software, firewalls, host intrusion-detection systems, file versions, patches and registry values.

The enforcement agent typically sits between the client and the corporate gateway and audits this information for compliance with corporate policies. Systems that are compliant are allowed access to the network, while those that aren't are either automatically blocked or redirected to a



quarantine site for files. In some cases, the tools can be used to bring an endpoint device into compliance, by turning on a firewall or downloading the latest antivirus signatures, for instance.

In other cases, the enforcement agent can send a message back to the user indicating the necessary remedial action, or it can provide restricted access to network resources until the system is brought into compliance.

Meanwhile, the policy management server defines and manages the policies that are enforced.

Not all endpoint technologies need client-side agents. Some are server-based products that probe client devices for compliance when the user logs onto the network. Costs can range from \$50 to \$150 per user, depending on the level of enforcement.

Target Remote Workers

Besides InfoExpress, other vendors in the field include Zone Labs Inc., Sygate Inc., Symantec Corp., Network Associates Inc. and Trend Micro Inc. Networking giant Cisco Systems Inc. entered the fray last fall when it launched a major endpoint compliance initiative called the Network Admission Control program (see box, right).

Almost all the enforcement software that's deployed is targeted at mobile and remotely connected systems, says Phil Schacter, an analyst at Midvale, Utah-based Burton Group.

"One of the biggest factors has been the endless onslaught of viruses and worms that potentially can be transmitted through open ports on any network-connected machine," says James Demos, a security administrator at a major publishing house in New York.

"The pace picked up last year and is unrelenting at this point," he adds.

Demos, who asked that his company not be named, is planning to deploy ZoneAlarm from San Francisco-based personal firewall vendor Zone Labs.

The centrally managed security suite will allow Demos to enforce policies related to the use of firewalls, antivirus software and configuration settings for all VPN-connected corporate users. Unlike the company's existing personal firewall software, ZoneAlarm, which acts as a firewall in addition to monitoring compliance, can't be disabled by users who don't have the administrative privilege to make system changes. In the event that someone does find a way to do so, a log of the change is made.

"Once the software is deployed, it should be running. If it's not, the user

won't get in," Demos says.

The software can either block the user from the system automatically or alert administrators of a problem and leave enforcement to them.

For some companies, such software does more than just protect against worms and viruses. For example, Terra Nova Trading LLC uses a combination of in-house tools and third-party software to monitor client systems for illegal chat and peer-to-peer software in addition to handling basic security functions, says Kevin Ott, vice president of technology at the Chicago-based financial services company.

The third-party desktop management software, which Ott declines to name, allows Terra Nova to scour employee desktops for illegal applications and shut them down before they're launched. In addition to searching for specific file names and extensions, the software registers any new or unusual processes running on a user's system to prevent users from circumventing policies by simply

changing file names.

"We ran into some technically savvy users who figured they could rename the executable.

We were able to identify them" and shut down the software, Ott says.

Sara Lee Coffee & Tea North America, a Harrison, N.Y.-based division of Sara Lee/DE, is using software from San Diego-based Websense Inc. not only to detect and automatically shut down any peer-to-peer or chat application but also to enforce quotas on the amount of time employees can spend on commercial Web sites during office hours. The idea is to give users the ability to browse commercial Web sites, but only for specific amounts of time, says Steven Anness, IT manager at the company.

Such technologies can also help companies uncover security risks that might otherwise be missed, says Sygate user Jim Kirby, a network engineer at Wells Dairy Inc. in Le Mars, Iowa.

It was only after the company installed an enforcement component to its endpoint defenses that it discovered

that firewalls on end-user devices were frequently being switched off — sometimes for unknown reasons, and sometimes because a user had re-imaged the system, Kirby says.

Looking Closer to Home

The increased focus on remote endpoints is driving a trend toward the same kind of enforcement on locally connected machines as well, says Frederick Felman, a vice president at Zone Labs. In such cases, the enforcement agent sits between the LAN switch and an authorization, accounting and authentication server. It adds end-user systems for policy compliance before network access is granted, Felman says.

"Most of our sales in the last two quarters have come from such users," says Felman.

But if you adopt measures to enforce policy compliance, you also have to have good mechanisms for remediation, says Stacey Lunn, president of InfoExpress. Users who get locked out of a corporate network for failure to comply need to have a place to go where they can quickly bring their systems into compliance, or have a procedure for doing so themselves, Lunn says.

For instance, Triplos lets remote users connect directly to the Internet to download the patches and fixes they need in order to log onto the corporate VPN. The company's InfoExpress software also lets Triplos push patches to remote users who have high-speed connections.

Moreover, failure to properly explain the steps being taken to enforce endpoint security can result in a lot of calls to the help desk, says Schacter.

"When we first turned on the enforcement, it wasn't perfect," Kirby says. "There was a little bit of an upsurge over it."

The key is to have policies that give users reasonable ways to fix problems, Schacter says.

"You need to be able to get the fix down to the desktop in some reasonable series of steps so that the user can try again and be let in," Schacter says. "If you make things too difficult for the end user, there is going to be so much push-back that you may not be able to deploy these technologies."

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For a listing of vendors who offer endpoint compliance software, visit our Web site.

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CISCO'S GOT A NAC

Ensuring corporate policies and security are enforced on all networked devices is a major challenge for network administrators. Cisco's Network Admission Control (NAC) program addresses this challenge by providing a centralized platform for managing network access.

Under the Network Admission Control program, Cisco's NAC software is installed on all networked devices, including laptops, desktops, and servers. The software monitors network traffic and enforces security policies, such as requiring users to authenticate before accessing the network.

Cisco's NAC technology is made up of multiple components, including the following:

- Network Admission Control (NAC) Agent:** This agent is installed on all networked devices and monitors network traffic for security threats.
- Network Admission Control (NAC) Server:** This server is responsible for managing network access and enforcing security policies.
- Network Admission Control (NAC) Policy:** This policy defines the security rules that the NAC agent and server enforce.

As part of its effort, Cisco has developed a new security architecture for its NAC products, which includes the following components:

- Network Admission Control (NAC) Agent:** This agent is installed on all networked devices and monitors network traffic for security threats.
- Network Admission Control (NAC) Server:** This server is responsible for managing network access and enforcing security policies.
- Network Admission Control (NAC) Policy:** This policy defines the security rules that the NAC agent and server enforce.

Cisco's NAC technology is designed to provide a centralized platform for managing network access and enforcing security policies. The software is installed on all networked devices and monitors network traffic for security threats.

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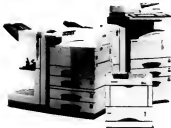
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DOES EVERY SINGLE EMPLOYEE HAVE HIS OWN PORTAL? That's how it sometimes appears to frustrated IT managers seeking to streamline their infrastructures.

In the past several years, many enterprises have seen portals — or tiny intranet sites that users think of as portals — spring up like dandelions. Frequently created by an enthusiastic power user with little or no IT oversight, portals may belong to a satellite office, a department or a functional group of employees (such as salespeople). They may be little more than a welcome screen and a half-dozen links, or they may be true transactional sites used by customers and trading partners.

Today, businesses are waking up to the fact that portal proliferation is a potentially expensive mess at best and a disaster waiting to happen at worst. As a Gartner Inc. report in October 2003 put it, "Many enterprises — instead of easily reaping rewards from their portal implementations — find themselves dealing with a jungle of multiple portals that compete for the same resources and audiences."

The resulting expense is difficult to track, because small portals are scattered across geographic regions and lines of business. "You want to save money eventually [by consolidating portals], sure," says Steve Ellis, executive vice president at Wells Fargo & Co.'s Wholesale Services division. "But it's almost as important just to understand where that part of your spend is going."

Tracking content on unauthorized and unsupervised portals is essentially impossible, a circumstance that sets the scene for disaster, given today's strict accountability regulations. Laws such as the Sarbanes-Oxley Act require enterprises to monitor and control all outward-facing communication.

Organizations seeking to consolidate portals are soon confronted with a number of thorny technology issues. "Each [existing] portal has different tool sets, languages and approaches to content and applications," says Frank Torbey, a consultant at Tandem-Seven Inc., a Plymouth, Mass.-based firm that helps large businesses build portals. Log-on and user-identity features may also be handled differently, he adds.

Today, businesses typically have separate portals for employees in general, the sales force, customer service and perhaps suppliers. Each portal must access data from a range of applications (human resources, payroll, CRM, ERP, supply chain management, accounting and purchasing) and then add a presentation layer. When a company considers consolidation, IT's challenge is to rationalize existing portals into one system that addresses the data, functionality, personalization and authentication needs of all users.

The good news for IT managers is that there are more tools available for portal consolidation than there were a few years ago. Longtime portal specialists such as San Francisco-based Plumtree Software Inc. and Austin-based Vignette Corp. are facing competition from nearly every major vendor of enterprise software.

This widespread availability of portal software has altered the purchase decision landscape, according to Torbey. "Many of our clients started their portals with a Plumtree or a Vignette," he says. "But if that company

Photo: iStockphoto.com

Wells Fargo is a company that went to BEA to consolidate its portals, and the company is looking for a vendor again. It's a portal consolidation project that is being completed at Wells Fargo's Wholesale Services division.

Companies are using consolidation technologies to stop expensive and risky portal proliferation. By Steve Ulfelder

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Dan Gillmor is technology columnist for the San Jose Mercury News, Silicon Valley's daily newspaper. He also writes a daily Web-based column for SiliconValley.com, a KnightRidder.com site that is an online affiliate of the Mercury News. His column runs in many other U.S. newspapers, and he appears regularly on radio and television. He has been consistently listed by industry publications as among the most influential journalists in his field.



Ken Pasley
VP
FedEx Internet Technology

Ken Pasley provides leadership for the FedEx Express worldwide wireless and mobile architecture. In this position, he oversees strategy, engineering, and development of wireless technology, including FedEx PowerPad, FedEx Private Network, and Bluetooth implementation.



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CONFERENCE AGENDA (subject to change)

For details, updates, and to register visit www.mwusa.com/mcwt

MONDAY, MAY 24

- 12:00pm Pre-Conference Golf Outing
- 1:15pm Consumer Industry Pipelines and Technology Workshop
- 1:15pm - Industry Pipelines
- 3:30pm Technology Workshop
- 7:00pm Welcome Reception

TUESDAY, MAY 25

- 7:00am Buffet Breakfast
- 8:00am Welcome and Opening Remarks
- 8:15am Opening Keynote Presentation
- 9:00am - Noon General Sessions
- Noon Luncheon and Special Presentation
- 1:30pm - 3:30pm General Sessions
- 3:30pm - 5:00pm Concurrent Breakout Sessions
- 5:30pm Solutions Showcase & Expo with Buffet Dinner

WEDNESDAY, MAY 26

- 7:00am Buffet Breakfast
- 8:00am Opening Remarks
- 8:15am Opening Keynote Presentation
- 9:00am - 12:15pm General Sessions
- 12:15pm Solutions Showcase & Expo with Buffet Lunch
- 1:30pm - 5:00pm General Sessions
- 5:30pm Gala Evening

THURSDAY, MAY 27

- 7:30am Buffet Breakfast
- 8:30am Analyst Updates
- 11:30am Conference Concludes

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	Early/bird Registration	Pre-Conference Registration	Full/On-Site Registration
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Non-Sponsoring Vendor **	<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$5,000

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☐ Agriculture / Forestry / Fisheries
☐ Other _____

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☐ CIO/CTO
☐ VP/S&M/Division
☐ SVP/Division Manager
☐ Other IT/IT Department Manager/Supervisor
☐ Other Corporate/Business Manager
☐ Corporate/Business Staff
☐ Consultant/Independent or Other _____

Number of employees in your entire organization (all locations)
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☐ 5,000 - 9,999
☐ 1,000 - 4,999
☐ 500 - 999
☐ Under 500

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☐ \$1 Billion - \$9.9 Billion
☐ \$500 Million - \$999 Million
☐ \$100 Million - \$499 Million
☐ \$10 Million - \$99 Million
☐ Under \$10 Million

Your organization's annual IT/IS budget for all IT/IS products:
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☐ \$500 Million - \$999 Million
☐ \$100 Million - \$499 Million
☐ \$10 Million - \$99 Million
☐ \$1 Million - \$9.9 Million
☐ Under \$1 Million

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Ellis says Wells Fargo's investment in BEA Systems Inc.'s enterprise software played a major role in the San Francisco-based company's decision to use BEA's WebLogic Portal to create a consolidated portal for employees. "We already used BEA for application servers, and that connection was important because it simplified pulling data and workflow out of [existing applications]," he says.

A few years ago, businesses seeking to implement portals were likely to perform a "runoff" among leading portal-software specialists. Today, Torbey says, the choice is different. A large company is likely to be a customer of at least a few vendors that now offer portal tools, so the question is, which one does the company migrate to?

If that seems like an easier choice, think again. In late 2001, Whirlpool Corp. in Benton Harbor, Mich., decided to streamline its portal picture.

"We had a lot of Web sites that people called portals — less than 50 — but we were headed down that [proliferation] path," says Gil Urban, Whirlpool's information systems director. Various Whirlpool factories, regional offices and business units had each thrown together Web sites or portals.

Initially, the manufacturing giant leaned toward Plumtree's portal software, which Urban describes as "the leader at the time." But Whirlpool's goals expanded when the company decided to develop a portal for all 15,000 of its employees. "We're a heavy IBM user with lots of IBM infrastructure," Urban says. As a result, Whirlpool opted to use IBM's WebSphere Portal, even though he thought some competitors' products were superior at the time.

"In 2001, it was a good product, but not best in class," Urban says. "But we thought that in the future it would be the best, and now it is."

Here's where things get complicated, though, not just for Whirlpool but potentially for other large businesses: The manufacturer is also a major user of SAP enterprise applications. When Whirlpool selected IBM, SAP's NetWeaver portal product wasn't yet available. Now that it is, Whirlpool is implementing a split strategy that will tack an SAP front end onto WebSphere Portal for the 2,000 or so employees accustomed to working with SAP. "Those 2,000 will have an SAP interface to the operational side," Urban says. "But for standard employee services, they'll be on MyWhirlpool," the company's IBM-based portal.

Content Management

When companies start to consolidate portals, one of the big headaches they run into is scattershot content updating. Depending on the enthusiasm and expertise of employees, some departments diligently update their portals or Web pages — while others may lag behind by months or even years.

That was the case when the nation of Bermuda undertook a project to convert its 38 departmental portals and Web sites into a single portal that would serve citizens, businesses, tourists and government workers. Bermuda's government considered more



than a dozen vendors before settling on Plumtree. According to Nigel Hickson, Bermuda's e-commerce chief, content management and related workflow were key Plumtree differentiators.

Bermuda plans to designate a content maintainer in each government agency; then train agency workers to fill out templates provided in Plumtree Content Server. IT has created standardized portlet templates so content maintainers don't have to worry

about issues such as formatting. For example, when an e-mail address or phone number changes, the maintainer simply calls up a "Contact Us" portlet, keys in the new data and saves.

Like many other organizations, Bermuda's government early on decided to blow up its existing portals and Web sites and rebuild from scratch. Hickson says that in the long run, this involved less work and made for a cleaner final product than would have been possible through integration.

What happens next varies by agency — that's the flexibility Hickson likes. "In the Department of E-commerce, it's just me," he says. "So the approval process, such as it is, consists of me checking my spelling." In a larger agency with a more defined workflow, the people who need to sign off on a change are automatically notified that the content maintainer has made one.

Getting a grasp on the myriad Web, intranet and portal sites that most businesses have is a task more and more IT managers are facing. But much of the work is just a matter of excising unwanted content — Ellis says Wells Fargo turned 10,000 pages of content into 2,000 — and a variety of applications automate significant parts of the process.

The taxonomy products offered by portal vendors can help with this consolidation. Taxonomy tools use Web services to scan other data sources, such as Web pages, for new or deleted content, thus automatically updating an enterprise portal directory. Without such a directory, the applications and content in the portal can result in sprawl.

Wells Fargo uses BEA's taxonomy tools to ensure that data from outside sources remains pertinent and up to date, Ellis says. And delivering fresh, useful information is the goal of any portal project. **■ 46466**

Uffelder is a Computerworld contributing writer in Southboro, Mass. He can be reached at suffelder@charter.net.

Setting the Standards

IBM WebSphere Portal Version 5

SharePoint Portal Server 2003

Oracle Portal

PeopleSoft Enterprise Portal

Plumtree Corporate Portal

SAP Enterprise Portal

Sun Java System Portal Server

Vignette Application Portal V7

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THE PLAYERS

Microsoft, SAP, IBM, BEA, PeopleSoft, Oracle, Sun, and others are among the vendors competing for the portal market.

Vendor	Portal Product
BEA	BEA WebLogic Portal
IBM	IBM WebSphere Portal Version 5
Microsoft	SharePoint Portal Server 2003
Oracle	Oracle Portal
PeopleSoft	PeopleSoft Enterprise Portal
Plumtree	Plumtree Corporate Portal
SAP	SAP Enterprise Portal
Sun	Sun Java System Portal Server
Vignette	Vignette Application Portal V7

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U/Lifeder is a Computerworld contributing writer in Southboro, Mass. He can be reached at sulfeder@charter.net.

Setting the Standards

Two evolving standards could help make portal construction easier for companies by letting developers write interchangeable components, called portals, in any language and environment they choose.

Web Services Remote Portal (WSRP). This standard was approved last September by OASIS, the Organization for the Advancement of Structured Information Standards. The idea is to allow portals to use Web services technology to retrieve various content sources. WSRP backers say widespread adoption of the standard will lower enterprise of the need to either host a content source at the location of the portal server or to write new code for each remote content source. Instead, developers would write portals in the environment of their choosing.

WSRP enjoys the support of virtually every vendor in the portal arena.

JSR 168. This specification is intended to enable interoperability between portals and portals. The name refers to the number of the Java Specification Request created by the Java Community Process, a group of Java develop-

- ers and licensees. JSR 168 will define a set of application programming interfaces for portals, addressing aggregation, personalization, presentation and security.
- So far, the standards have received mixed reviews.
- "There's certainly a market need for standards in this field, because portal deployments are expensive and require specialized skills," says Ray Valdes, an analyst at Stamford, Conn.-based Gartner.
- However, Valdes describes the first versions of WSRP and JSR 168 as "underpowered." He adds, "It's not quite accurate to say they were too little, too late — but they took a long time to arrive and weren't as valuable as people had been hoping."
- However, OASIS and the Java Community Process are already working on stouter versions of WSRP and JSR 168. And because each standard enjoys unusually broad vendor support, they are expected to take hold in the next 18 months and make it significantly easier for IT organizations to write portal components.

— Steve Ulfelder

Computational Origami

Ancient art finds industrial, medical uses. By Bob Brewin



ROBERT LANG, a laser physicist and origami artist for more than 30 years, continues to be amazed at the potential applications of the centuries-old art of paper folding. "You would think that there is not much you can do with origami as an art form that has not been already figured out," he says.

But, Lang adds, origami artists continue to "demonstrate new structures and realize new levels of beauty," a statement well supported by his own origami renderings of subjects such as cows, fish, blue herons and owls.

Origami was purely a hobby for Lang until he decided to

apply the kind of mathematical modeling he used in laser physics to paper folding.

Lang, who is based in Alamo, Calif., now considers himself a full-time artist. He says computational origami helped him automate the process by which he determined how to make the precise kinds of folds needed to produce a multilegged insect and its antennae.

After he did that, he realized that the theory and equations he developed to make better origami figures could also be applied to engineering problems in which a large surface needs to be folded to fit into a flat space without cutting.

Today, while concentrating on his art, Lang also works as an industrial consultant, applying his computational origami expertise to the design of a range of products, including consumer electronics and medical equipment.

From Birds to Air Bags

EASI Engineering GmbH in Aachen, Germany, asked Lang to determine how to squeeze a very large object — an automobile air bag — into a tiny compartment inside a steering wheel. Lang had already developed algorithms to flatten a set of polygons, and he applied them to a computer simulation of how to flatten the 3-D polyhedron shape of an inflated air bag. This process saved time and eliminated the expensive requirement of crashing real cars to determine if an air-bag design would really work, Lang says.

The air-bag design was based on an algorithm Lang calls the "universal molecule," which flattens a set of polygons so their edges remain aligned to one another.

Lang sees a definite future for computational origami in engineering and design work, but he acknowledges that the field is relatively esoteric and requires artistic as well as computational, mathematical and engineering skills.

"You have to be able to fold paper" before proceeding to computational origami, he says.

Lang developed software called TreeMaker that runs on Apple Macintosh computers and helps automate origami design. The program, which

Lang said can be mastered by a high school student, helps users figure out how to fold a square into a number shapes. A user outlines a figure on the TreeMaker screen, and the software determines the number of flaps required to make that particular shape.

If users want to create advanced designs (such as that of an air bag), they can download additional algorithms from the TreeMaker Web site (<http://origami.kvl.nl/programs/treemaker/>).

But Lang says only 100 or so people have downloaded the software, and only about five or 10 are using it, another indication that the field of computational origami is still in its early stages.

Bad Folds

Erik Demaine, a 22-year-old professor of electrical engineering and computer science at MIT, started folding paper at age 6 and developed that hobby into the study of the mathematics of folded forms.

Demaine now studies folds in proteins, the basic building blocks of life. He believes that computational origami could fight diseases that are currently incurable, such as mad cow disease, which are caused by proteins that have what he calls "bad folds."

Demaine, a 2003 winner of a MacArthur Foundation Fellowship — commonly known as "genius" grant — calls protein folding his "main area of interest" and he plans to apply what he learned from paper folding to figure out why some proteins fold into a

useful shape and others do not. That research could eventually lead to the design of custom proteins that fight disease. The custom proteins could then be unleashed to destroy "bad" proteins.

Ajay Royyuru, manager of the computational center at IBM Research in Yorktown, N.Y., agrees that determining the way various proteins twist and fold could help provide cures for diseases such as Alzheimer's and cystic fibrosis.

Computational origami could help scientists crack some basic secrets of protein structure and sequence, Royyuru says. The technology could help scientists determine why a protein falls into a specific shape "and why that shape and nothing else." High-speed computers can be used to develop "fold recognition" software and help simulate folding patterns, Royyuru says.

But determining what he refers to as "correct" and "incorrect" protein folds by modeling them with computational origami is a daunting task, he says, requiring computers two to three times more powerful than the most powerful supercomputer in existence.

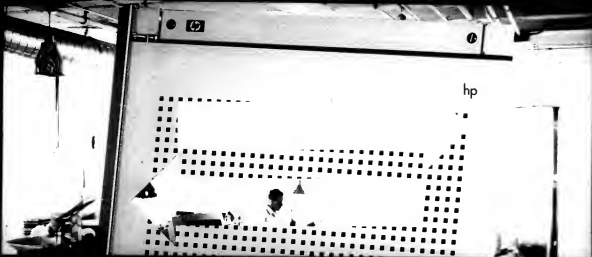
That power can be delivered only by a computer operating at a quadrillion operations per second (1 petaflop, or 1,000 teraflops), and IBM is developing such a computer as part of its Blue Gene project. IBM says it will have a machine capable of 360 teraflops by 2005, but Royyuru says advancing to a petaflop-speed machine will be "quite a jump," and he can't predict when a computer like that will be available.

Even after such a machine is delivered, it could still take decades to unravel the mysteries of protein folds, Royyuru says. But perhaps that effort will be aided by science that harkens back to techniques used to create elegant paper birds. **CG 46430**

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Security Policy A Paper Tiger

Ignored security policies result in problems ranging from rogue access points to inadequate incident response. By Mathias Thurman

EACH TWO WEEKS this week, and both came about as a result of security policies that have been routinely ignored. The first had to do with our wireless LAN infrastructure.

Although I work out of the main data center, I frequently travel to the corporate headquarters campus. On those occasions, I often use my iPod Pocket PC and AirMagnet Inc.'s software to scan for rogue access points on the WLAN. The installation of unauthorized APs has been a continuing problem, so when I detected one the other day, I wasn't surprised.

This AP registered a signal strength of about 70%—strong enough to lead me to believe that it wasn't transmitting from outside of my company's offices. Indeed, I was able to associate to the AP, open a browser window and get to the corporate intranet. The device had no encryption enabled, it was broadcasting the Service Set Identifier code, and the AP gave my device an IP address that wasn't within our corporate address range.

I called the network engineering group and gave it my device's media access control address and location, thinking that they could log into the switch that was serving the location, look up my MAC address, identify the port and trace it to a specific wall jack. In the past, I've successfully identified rogue APs in this manner.

However, in this instance, the group wasn't able to find my MAC address. I even had

the network engineer check some nearby switches, but no luck. Then I tried using AirMagnet's Find utility, which works as a signal-strength meter to help locate the AP. I've gotten closer in the past using this method, but it still requires that I peek into employee offices, conference rooms, break areas and so on, to visually locate the AP. In the process, employees have gotten upset with me and started complaining.

This time, however, it worked like a charm. I could see the AP sitting right on top of an employee's monitor.

The device was a WLAN router, which explains why my MAC address didn't show up on the switch port. Because this AP functioned as a router, not a hub, the MAC address wouldn't have been registered on the switch. The employee wasn't in, so I had the facilities department open his office. I then unplugged the AP and left a note indicating why I had disconnected it.

Later, the employee said he

had installed the AP because his boss "said it would be OK." Neither of them had read the network access policy on our intranet, which prohibits unauthorized network-access devices from being attached to the corporate network. Apparently, our policy awareness training still isn't working. I sent him a note with a Web link to the policy.

Something in Common

A few weeks back, in the aftermath of a SQL Slammer outbreak, a manager proposed that my small group take on incident handling and remediation issues—a task that other departments take care of today and that we're not equipped to do [QuickLink 46061].

I researched how we can do a better job and discovered that IT security isn't the only group with a written incident-handling policy. The data-center operations group has its own, 20-page guide, and the networking group has something similar. Each contains relevant information with respect to incident handling best practices, but each is department-specific. What's even more disturbing, however, is that no one uses these documents. They just sit in a binder on a bookshelf or in electronic form in a shared disk space available only to members of each department.

To rectify that, I wrote a single-page incident-protocol document that outlines the main steps all departments should take when responding to an incident. My goal was to create something that could be printed on a small reference card and placed next to the telephone contact list, security badge and SecurID token that most operations employees carry around. I focused on four areas: preparation, identification, response and containment.

Preparation deals with knowing whom to call when an incident occurs. Identification addresses how to identify and classify an event to avoid false positives. Response dictates the actions to take when

an incident has occurred, and containment deals with how to keep the incident from doing more damage or containing to affect the network.

For example, containment might involve disabling a switch port or implementing access control lists on a router. I want the reference card to help workers become more efficient at handling incidents in a timely manner. Eventually, we'll create a formal crisis-action team and run simulations for training.

Although we're getting better at responding to incidents, common problems arise. One is that no one wants to take charge. There are always lots of managers, directors, engineers and analysts standing around the operations center, looking at logs, e-mail and other tools and forming opinions. But no one is calling the shots. Eventually, someone steps up to the plate.

Another problem is that there is always confusion as to who should conduct certain activities. For example, a command and easy way to identify a Windows resource on an enterprise network is to enter the `netstat-A` command. In our desktop and production server environment, this command will typically identify the user or system name of the machine.

For some reason, there's always a question regarding who should issue the command. I don't quite understand why, as it's a task that takes only a few seconds to complete. Hopefully, by creating a common incident-response protocol and ensuring that everyone is on the same page, our responses to all events will become standardized, and incident management will become a routine aspect of doing business. ▀

WHAT DO YOU THINK?

This week's journal is written by a real security hyphenate: "Mathias Thurman," whose name and employer have been disguised for obvious reasons. Contact him at mathias.thurman@paloalto.com, or join the discussion on our forum QuickLink.46061.

To find a complete archive of our Security Manager's Journal, go online to Computerworld.com/secjournal

SECURITY LOG

Security Bookshelf

Digital Evidence and Computer Crime, Second Edition, by Eoghan Casey, Academic Press, 2004.

This behemoth of a book offers more than 600 pages of useful information on digital forensics and computer crime.

There's something for everyone—law enforcement agencies that collect and process evidence, forensic analysts, lawyers and other information security professionals.

The author starts out with a good overview of the history, law and general process surrounding forensics and computer crime, and Casey does a great job making difficult concepts easy to understand. Such applications may come in handy when you're trying to get a technical point across to a lawyer.

The most interesting sections deal with the actual forensics theory and methodologies for the operating systems and hardware in use today. The tools and methodologies described are up to date and relevant, and the case studies are detailed precisely. This book is a great reference for any security professional facing issues in this area.

—Mathias Thurman

Top Security Technologies

Growth in IT security spending by technology (compound growth rate, 2002-2007):

Identity management

Over provisioning

Intrusion prevention

WLAN security

Single sign-on

Security event mgmt.

Source: Forrester & Co. (Forrester Research)

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The Pierre New York, a Four Seasons Hotel • Fifth Avenue at 61st Street

7:45am to 8:15am
8:15am to 8:45am

8:45am to 9:15am

9:15am to 9:45am

9:45am to 10:15am

10:15am to 10:45am

10:45am to 11:15am

11:15am to noon

Noon

Chicago • June 9, 2004

Sheraton Chicago Hotel & Towers • 301 East North Water Street

7:45am to 8:15am
8:15am to 8:45am

8:45am to 9:15am

9:15am to 9:45am

9:45am to 10:15am

10:15am to 10:45am

10:45am to 11:15am

11:15am to noon

Noon

Registration and Networking Breakfast

Off to See the Data Wizard: Reporting from the Yellow Brick Road

Marylin Johnson, Editor in Chief, Computerworld

User Case Study

Servio Analyst, CTO, Hewlett Associates

Business Intelligence in Action at NASD

Martin Colburn, EVP and CTO, National Association of Securities Dealers

Refreshment and Networking Break

Evolving the Enterprise: Leveraging Information for Competitive Gain

Jim Davis, SVP, SAS

Industry Analyst Perspective:

The IT Bottom Line: Proving the Value Delivered

Roberta Winters, VP Research, Nucleus Research

Panel Discussion:

Creating the Transparent Organization: New Roles for Business Intelligence with Corporate Customers, Suppliers and Government Regulators

Moderator: Julie King, National Correspondent, Computerworld

Panelists: Dennis Galiani, EVP & COO, The Guardian Life Insurance Company of America; Dave Denton, VP of Financial Planning, CVS Inc.; Robert Davis, EVP, Key Technology Services; Ray Corp, Ron Miller, Senior Manager, Intel Corporation

Program Concludes

Program Concludes

Selected speakers include:



Marylin Johnson
Editor in Chief
Computerworld



Martin Colburn
EVP and CTO
National Association
of Securities Dealers



Jim Davis
SVP
SAS



William Farrow
COO and EVP
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BRIEFS

Voyence Launches Networking System

Voyence Inc. last week announced its Voyence Guaranteed Success software, which is intended for configuration management of heterogeneous networks of all sizes. Voyence Guaranteed Success must run with the VoyenceControl appliance for full network design, change and compliance management capabilities, according to the Richardson, Texas-based company. Voyence Guaranteed Success starts at \$15,000 for support of up to 100 devices and is available now. That price includes the VoyenceControl appliance, as well as training and certification.

Exact Upgrades Collaboration App

Exact Software North America announced that it has added features to its Exact e-Synergy Web-based collaboration application that will allow users to perform portal-based online cataloging, order entry and order management tasks. The new features, called Web Shop, are designed to integrate with e-Synergy and the company's Macola Enterprise Suite, which automatically receives and processes orders, said Andrew Maus, head of Exact Software. Web Shop is available now as part of e-Synergy and is priced at about \$1,000 per user.

Aproo Releases Enforcement Tool

Aproo Inc. has launched Workstation PolicyShield, an application that's designed to manage and enforce appropriate use of files and software by workers. Workstation PolicyShield detects programs, peer-to-peer programs, games and other unapproved files at the moment they are written to the network, rather than after they are installed, said the Newport Beach, Calif.-based enterprise software vendor. Pricing for the application starts at \$945 for 100 users.

NICHOLAS PETRELEY

Living Down to a Low Standard

I RECENTLY SPENT the better part of a week working with the latest version of the open-source GNOME graphical desktop environment on Linux.

I've decided that the only way to explain the regression of GNOME over the years is that Microsoft and/or SCO moles have infiltrated the GNOME leadership in a covert effort to destroy any possibility that Linux could compete with Windows on the desktop.

To paraphrase the humorist Peter Schickel, who was describing what it was like to discover a new music manuscript by the (fictional) inept composer P.D.Q. Bach, "Each time I get a new version of GNOME, there's this feeling of anticipation and exhilaration—a feeling that this new version of GNOME can't possibly turn out to be as bad as the last one. But so far, each new version lives down to the same low standards set by the previous one."

By the time a software project gets to Version 2.6, a user might reasonably expect that he wouldn't have to adapt to yet another paradigm shift in basic user-interface design, especially when it comes to something as fundamental as how you navigate through desktop folders. Yet this is precisely what users will have to learn with this latest version of GNOME.

The GNOME file manager, Nautilus, no longer allows users to navigate through folders as one might use a Web browser or Windows Explorer. You no longer browse with all your options accessible in a single window or a split window with a directory tree on the left and icons on the right. Instead,



each double-click on a folder icon opens a new window on the screen. If this sounds familiar, it's because this was the default behavior of Windows 95, OS/2 and early versions of Mac OS. The fact that this isn't the default behavior of any mature desktop operating system might have served as a warning sign to GNOME's developers, but never mind that.

Having used OS/2 for years, I found GNOME's retro approach to be a rather pleasantly nostalgic experience. But now that I'm used to navigating folders the way one does on virtually every other desktop, however, I decided to tell the file manager not to open a new window for every folder. But it turns out there is no preference setting that tells Nautilus to use a single window to browse folders.

The only way to change the default behavior of Nautilus is to set an obscure registry key via the command line or the registry editor. Not even that abomination of operating systems, Windows 95, made users retreat to the registry editor to use a single window to navigate folders. I can only assume that the GNOME developers decided to make Nautilus a worse Windows

than Windows. I toast their routing success.

Granted, there are myriad unintuitive keystrokes and shift-key/mouse-click operations you can use to make it easier to navigate folders, all of which will mean squat to the daft simpletons the GNOME developers say they are targeting as their users. But GNOME developers have long since abandoned logic when defending their design choices. For example, one GNOME developer says there's a good reason why users can't change individual colors in desktop themes: Someone might accidentally make both the text and background white, thus rendering the text unreadable.

Of course, this flaw has nothing to do with the inflexibility of the primitive graphical tool kit upon which GNOME was based. It was deliberately designed to protect users who are invariably too incompetent to pick their own colors but are smart enough to memorize shift-clicks and keystrokes or edit the registry to get Nautilus to work the way they like.

Of all the criticisms one might lodge against GNOME, it's the hypocrisy of its design philosophy that looms largest. GNOME grew out of the desire to free people from Microsoft's ability to dictate what users can or can't do. Yet GNOME is built on the premise that its developers are so much wiser than users when it comes to navigating folders and setting colors that GNOME users shouldn't have a choice in the matter. With an attitude like that, heaven help us if GNOME turns out to be the only defense Linux has on the desktop against a Microsoft hegemony. **Q 40829**

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MANAGEMENT

05.10.04

Managing IT Risk at Delta

Delta Technologies uses a rigorous but simple scorecard to balance the risk of technology failure against the costs of upgrading. **Page 34**



Career Watch

Mary Finlay, deputy CIO at Partners HealthCare, talks about the Regional Leadership Forum and soft skills. Plus, tips for managing conflict in the IT workplace. **Page 36**



OPINION

Risk/Reward Contracts: Laying the Foundations

Bart Perkins explains how to manage this type of contract to maximize the rewards while minimizing the risks. **Page 37**

SURGERIES, surgical instruments and other medical supplies typically account for a hefty 25% of a hospital's operating budget. Add labor and logistics costs, and the total jumps to 35% to 40%, according to the Healthcare Financial Management Association, an industry professional organization in Westchester, Ill.

Yet compared with other industries, like high tech, auto manufacturing and consumer packaged goods, health care — and hospitals in particular — is downright dinosaurian when it comes to deploying IT to better manage the supply chain.

Experts recite a litany of explanations, including drum-tight budgets and a sort of institutionalized accep-

tance of labor-intensive manual materials-management processes.

"Hospitals and clinics tend to want to focus the dollars they have on patient care. They're not going to channel their capital budget into supply chain," says David Youndt, chief operating officer at Hospital Logistics Inc., a for-profit hospital supply and logistics company launched by University

Health Network in Toronto.

Given hospitals' primary clinical mission, supply chain excellence is typically undervalued by top management, say many in the industry.

"The prevailing thinking is that materials management are those people we can just keep down in the basement," says Sara Friesen, former director of supply chain at Sunnybrook and Women's Hospital in Toronto. Now, Friesen is general manager of Shared Healthcare Supply Services, also in Toronto.

In the U.S., as in Canada, the hospital industry remains highly fragmented, which has stymied the development of standards for naming, describing, ordering and paying for the tens of thousands of products that hospitals use. With more than 5,000 hospitals and health care systems in the U.S., no single organization is large or powerful enough to dictate how the supply chain works, as Wal-Mart does in the retail sector, says Lee Marston, CIO at Broadlane Inc., a health care software and services company in San Francisco.

Also, very few hospitals have a single, integrated computer system for ordering, tracking and paying for supplies. The upshot is that physicians and other clinicians regularly buy the brands they prefer rather than items a hospital may have contracted for at a discounted price.

Broadlane conducted a yearlong analysis of all of the supplies purchased at one of its multihospital clients. It found that the chain had spent more than eight times what it would have spent had its clinicians all purchased the same supplies at the lowest contracted price. "You find out millions could be saved if everyone got together and paid the same price," Marston says.

The problem is that most hospitals



HEALTH CARE'S Major Illness

Supply chain pains continue to plague most hospitals. Here's how two leaders used IT to improve their prognosis. **By Julia King**

lack integrated computer systems and therefore don't have easy access to that kind of detailed data.

And it's only getting worse as the industry consolidates and hospitals face the onerous task of integrating their computer systems with those of the facilities they acquire.

Meanwhile, the cost of these combined supply chain inefficiencies is staggering, says Albert Pang, an analyst at market research firm IDC. Hundreds of millions, if not billions, of dollars are left stranded throughout the hospital supply chain in the absence of common computing platforms, standard product descriptions and accurate contract pricing data.

Change is coming, but very slowly. Industry groups are working on product data standards, and physicians are slowly but surely coming to appreciate the efficiencies of technology, such as wireless handheld devices used to electronically write and transmit prescriptions. For now, though, few hospitals have seriously tackled supply chain issues. Here's a look at two that have, using very different strategies.

Allina Hospitals & Clinics

MINNEAPOLIS

With 11 hospitals and 43 clinics in Minnesota and Wisconsin, \$1.8 billion Allina is a textbook example of a hospital system that grew by merger and acquisition. In 1990, each of the facilities had relatively good materials management practices in place, but they were running on no fewer than six legacy computer systems in which procurement and payment data was not automatically integrated with the accounting system. The Y2K remediation effort gave Allina an opportunity to implement a common computing platform for its highly fragmented materials management operation, says Scott Grove, director of IT.

Allina implemented Lawson Software Inc.'s materials management and financial applications as well as its contract-pricing application, which keeps track of the ever-changing prices of the thousands of products Allina has negotiated under contract with various suppliers. By early 2000, the system had gone live, giving hospital administrators their first glimpse of overall materials purchasing activity.

"With a common system, we finally had a stadium to play the supply chain game in," says Grove. "We spent a lot

In 2003, the health care industry as a result of supply chain inefficiencies. Supplies acquired for

are bought outside of negotiated contracts.

of time mining transaction data to come up with good usable [purchasing] information," which pinpointed where off-contract buys were being made. In the first year, the system determined that only 38% of Allina's purchases were on contract.

"Large hospitals buy a lot of stuff they want quickly off of contract," Grove says, and the hospital ended up paying a premium on those orders.

In January 2003, Allina set a goal to bump up contract purchases of supplies to 70%, something that Grove says is possible only with "very, very clean data and very targeted information." One of the key tasks for IT, which worked with the hospital's contract administration group, was keeping contract and pricing data current and accurate, Grove says.

Every month, the contracts administration group comb through purchasing reports to determine which buys were made on and off contract, tracing transactions down to departments and individual buyers. They learned that "if you've got very targeted information and a few people making a lot of the impact, you can change the num-

bers very quickly," Grove says.

Between February and November 2002, spending on supplies dropped from 13.2% to 12.8% of net patient services revenue, but that small change netted between \$4 million and \$4.5 million, Grove notes. Allina also reached its 70% contract buying goal, which translates in \$100,000 in savings for every 1% improvement in contract compliance, he adds.

For IT, attaining supply chain efficiencies in health care is "a heavy maintenance issue of keeping data clean," Grove says. "If you can do that, you then have accurate information. What IT did is really focus on providing that information and left the change management issues to organizational managers."

The bottom line: "There is significant payback, but it's [money] you don't know you're losing until you make an effort to go out and quantify the problem," Grove says.

University Health Network

TORONTO

Dissatisfied with the performance of an outsourcer it had hired to handle supply logistics in the late 1990s, the three-hospital University Health Network teamed with its consulting partner, Toronto-based Thinc Logistics Inc., to form a for-profit hospital supply logistics company. Today, that company, known as Hospital Logistics, serves two other corporate health care customers in Toronto as well as its own three hospitals. The venture has yet to turn a profit, but it has increased the accuracy of deliveries, which ultimately translates to better patient care, says

Kevin Empey, vice president of fit and corporate services at University Health Network.

"Before, we were receiving between 85% and 90% of products [that had been ordered] every day. Now, we're between 98.5% and 99.5%," reflects significant increase in order accuracy notes. Among other things, that means surgical cases aren't delayed or postponed because the required instruments aren't available, he says, adding "we did not do this cost savings; we did it for service."

Nevertheless, a better supply logistics operation had to begin with an integrated computing system that could track contract information, orders and payments as well as warehouse and delivery operations.

Hospital Logistics bought and modified ERP software from Tecsys Inc. Montreal-based vendor. The system supports radio frequency identification scanning and the use of handhelds as well as in-hospital logistics activities such as stocking and setting up products at nursing stations. In all, the system tracks more than 25,000 items, on a just-in-time basis, from the point of origin to delivery at a nursing station. "We spent a lot of time on IT designing an integrated IT platform," says Youde.

Sunnybrook and Women's Hospital one of Hospital Logistics' customers eliminated its on-site supply warehouse and now maintains minimal backup inventory because supplies have an order-to-delivery turnaround time of less than 12 hours. Customers maintain very little inventory and have more accurate data about product replenishment, says Friesen.

Hospital Logistics also has a direct electronic link with its customer hospitals' general ledger systems, to which it uploads transactional information. Hospital administrators can see exactly which products were purchased from which suppliers, so they can reconcile payments against contracted prices.

"Now we're able to access better supplier information for products that flow through hospital logistics," says Friesen, who handles all of the contracting and purchasing for three Toronto hospitals, including Sunnybrook and Women's.

"The real benefit to clinicians is it now truly have the products they need when they need them," says Friesen. "The patient care staff can spend time delivering patient care instead of worrying about chasing down supplies."

BY 40081

Too Much IT

POINT, the device often suffers from too many features and functions, making it difficult to use. The device is often too large and expensive, and the software is often too complex.

Now, the bad news: There's a lot of IT out there, and it's not always the best.

Health care providers are often overwhelmed by the amount of IT they have to use, and it's not always the best.

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And it's only getting worse as the industry consolidates and hospitals face the onerous task of integrating their computer systems with those of the facilities they acquire.

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WHILE HOSPITALS SLEEP

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TEST RESULTS

In 2003, the health care industry wasted more than \$11 billion as a result of supply chain inefficiencies.

Supplies accounted for 30% of a hospital's overall cost structure.

50% of all medical supplies are bought outside of negotiated contracts.

of time mining transaction data to come up with good usable purchasing information," which pinpointed where off-contract buys were being made. In the first year, the system determined that only 50% of Allina's purchases were on contract.

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UNIVERSITY HEALTH SYSTEM

TORONTO

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Q 46081

products electronically. There's also been competition for control, which so far has made matters worse, not better, experts say.

Different players have a vested interest in the way the supply chain is being run," says IDC analyst Albert Pang. "Often, individual suppliers, distributors and group purchasing organizations try to build their own ecosystems via EDI or other electronic transaction systems that make direct connections to hospital facilities." All too frequently, the upshot is more and more uncoordinated data, rather than useful information.

-Julie King

FIRST, THE GOOD NEWS: Business-to-business health care exchanges, medical distributors and manufacturers of health care products all are leveraging IT to streamline hospital supply chains.

Now, the bad news: There's little, if any, coordination.

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There are hundreds of thousands of products, ever-changing contracts, multitudinous price structures based on purchase volumes and no single set of standards for naming, describing or buying and selling



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- Applications will be dynamically deployed to maximize server utilization and performance, improving the customer experience and reducing capital investments.
- It will anticipate peak usage with the intelligence to handle spikes in demand by automatically allocating anticipated capacity.
- It will reduce cost by leveraging operational support infrastructure (i.e. systems, people, etc.).
- It will provide hands-free, end-to-end flow through process, enabling AT&T to deliver services to customers in real-time, ultimately, with zero cycle time and zero defects.
- Reliability, security and business continuity will be infused into every layer.

AT&T is taking the intelligence and technological power of the network and centering it on the user's applications. It will be "application-aware," serving the enterprise's needs in real-time so that every demand is anticipated and met; every business objective satisfied. The enterprise will retain full control over its own applications, and can constantly monitor its performance to assure things are running as expected.

The Application-Aware Network will have the ability to deploy an application to the appropriate server as well as manage the load balancing across multiple servers to maximize results. When an application is no longer needed, those resources will be made available to other applications. Reliability and business continuity will be achieved by deploying applications across a number of servers and across a number of nodes.

The network will take advantage of new technologies to provide a shared, standards based infrastructure for deploying, integrating and operating mission-critical applications. Customers will benefit from the economies of scale achieved by leveraging a shared infrastructure and also benefit by only paying for the resources actually used - while knowing that the capacity is available to handle spikes in demand.

THE "FRESHMAN" OF AT&T LABS. AT&T CIO AND VICE PRESIDENT OF NETWORKS, JIMMY HOSSEIN, IS THE CREATOR OF AT&T'S APPLICATION-AWARE NETWORK. AND HE'S CONTINUALLY RECEIVING HIGH ACCLAIM FOR HIS VISION OF THE FUTURE. HERE'S WHAT A FEW OTHERS

- The #1 Mover and Shaker in the Telecommunications Industry for his vision of creating a flexible, multi-service network edge with the capability for customers to self-provision services. LightReading.com
- Hossein was recognized by the Executive Council of New York as one of the top 10 innovators of 2003.

For more information, contact your AT&T
Representative, or visit www.att.com/networking.



Got Questions About Network Consolidation?

Computerworld's IT Executive Summit Has the Answers

If you're an IT executive* in an end-user organization, apply to attend Computerworld's upcoming complimentary half-day summit on Network Consolidation.

CIOs and senior IT executives are finding that consolidating high-performance networks can play a key role in improving business application performance while significantly reducing operational costs.

The proliferation of network capacity and related storage and server infrastructure presents a daunting challenge for today's enterprises, many of which are positioning themselves for growth yet still seeking to reduce IT costs where feasible.

By leveraging the knowledge of industry experts and the real-world experience and advice of your IT peers, this IT Executive Summit will provide an overview of effective strategies for consolidating and connecting networks and data center applications.

*Complimentary registration is restricted to qualified IT executives only.

Streamlining Networks and Data Centers: The Business Benefits of Consolidation

New York City • June 15, 2004

New York Marriott Marquis • Cantor Jolson Room • 1535 Broadway

7:45am to 8:15am

Registration and Networking Breakfast

8:15am to 8:45am

Rebuilding the IT Foundation

Marylann Johnson, Editor in Chief, Computerworld

8:45am to 9:15am

Infrastructure Makeover: Moving the U.S. Air Force Toward Network-Centric Services Delivery

Brigadier General Brad Butler, Deputy Chief Information Officer, U.S. Air Force

9:15am to 9:45am

User Case Study

9:45am to 10:15am

Refreshment and Networking Break

10:15am to 10:45am

Customer Challenges and Solutions: Real-Life Scenarios Connecting Data Centers Over Distance

Steve Adolph, CTO, Enterprise Solutions Group, CIENA

10:45am to 11:15am

Network Consolidation and the Data Center: Boosting Business Performance and Application Availability

Richard Vitaris, Vice President, Storage Systems, IDC

11:15am to noon

Strategies for Streamlining Key IT Resources

Panel Moderator: Marylann Johnson, Editor in Chief, Computerworld

Noon

Program Concludes

Selected speakers include:



Marylann Johnson
Editor in Chief
Computerworld



Brigadier General
Brad Butler
Deputy Chief
Information Officer
U.S. Air Force



Steve Adolph
CTO, Enterprise
Solutions Group
CIENA



Richard Vitaris
Vice President,
Storage Systems
IDC

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NETWORK CONSOLIDATION

MANAGING IT RISK AT DELTA

The airline uses a rigorous but simple scorecard to balance the risk of technology failure against the costs of upgrading.

BY GARY H. ANTHERS

Managers at Delta Technology Inc. once endlessly debated whether they should spend money to upgrade or replace their IT assets, from laptops and mainframes to networks. Although the IT capital budget is prepared annually, these debates "seemed to occur daily," says Brian Leinbach, senior vice president for development at the subsidiary of Atlanta-based Delta Air Lines Inc.

But the debating and wrangling has now largely stopped, he says, thanks to a simple but relatively rigorous framework for analyzing the costs and risks of IT infrastructure renewal. "It's fairly intuitive," Leinbach says. "Simple ideas are often best."

The framework is based on a curve that weighs the risk of failure against the cost of investments. At one end, risks are low but the investments required are too high. For example, it might cost \$1 million to reduce the risk of failure to one in a million, but to reduce it further might cost \$100k, which is considered too high for the expected payoff. At the other end, investments are modest but risks are too high.

Leinbach says Delta strives to stay near the middle of the curve in a "manageable" area between unacceptable risk and unaffordable investment. The company's annual capital budget of \$200 million supports mainframes, Unix and Windows NT servers, desktops, and voice and data networks.

Delta Technology has developed a weighted score for each combination of business area and IT asset, based on five factors: technology age, business value at risk, platform supportability, platform complexity and risk of failure (see large chart). Each is then assigned a green, yellow or red flag, depending on whether the IT asset in that business area is deemed to present low, medium or high risk to the airline.

The results are combined and might show, for example, that the server infrastructure presents a medium risk for Business Area I, a low risk for Business Area 2 and a high risk for Business Area 3 (see small chart).

The method works for all parts of the business, Leinbach says. "Even if you are just in finance and responsible for the books, that's not required to keep an airplane in the air, but you can't run the company very long if you can't file your paperwork."

The final step in preparation for budget writing is to develop multiple spending scenarios that show the impact on risk (again by color) in each of the business areas that would result from different levels of spending on IT infrastructure renewal.

The scorecards help focus managers' attention on risks. "It makes everyone take stock of their systems," Leinbach says. "A big red spotlight is a great communications tool." The risk analysis framework has made it easier to understand capital expenditure priorities and to communicate them to all levels of management, he adds.

"Doing this by business area allows us to have a one-on-one relationship with someone on the business side of the table," Leinbach says. "You are really counseling them, saying, 'If we spend this much in this area, these are the results. Are you OK with that? How much

risk do you think you can take? Do you want to help me lobby for more money overall so your share could be larger?"

"And a finance guy might have a different view of risk versus a guy in flight operations," he adds.

The data on IT asset failure probabilities and modes is highly automated, Leinbach says, but "some of the other stuff is harder. Some is business knowledge, and some is intuition."

Although Delta's methodology is relatively simple, it's more rigorous than what's employed by 75% to 90% of Fortune 500 companies, says Jack Heine, an analyst at Gartner Inc. It gives IT people a good tool for showing the possible consequences of budget cuts and for predicting their effects on future risk, he says.

"The fact that they have formalized it is a very good thing, and so is the fact that they are actually applying it to their future migration planning," Heine says. When business people ask what IT has done for them lately, he says, IT can say, "Well, we quantified the risk in 2004, and we will be able to measure our capabilities and successes against plan in 2007. That's great."

© 46098

RISK-SCORING GUIDELINES

CATEGORY	RISK SCORE	Notes
1	1	Low risk
2	2	Low risk
3	3	Low risk
4	4	Low risk
5	5	Low risk
6	6	Low risk
7	7	Low risk
8	8	Low risk
9	9	Low risk
10	10	Low risk
11	11	Low risk
12	12	Low risk
13	13	Low risk
14	14	Low risk
15	15	Low risk
16	16	Low risk
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90	90	Low risk
91	91	Low risk
92	92	Low risk
93	93	Low risk
94	94	Low risk
95	95	Low risk
96	96	Low risk
97	97	Low risk
98	98	Low risk
99	99	Low risk
100	100	Low risk

Tall Tales

Nothing motivates people like a story.



When he was director of knowledge management at the World Bank, Stephen Denning discovered a powerful leadership tool: storytelling. He found that it often succeeded in inspiring and motivating people when cold, hard logic failed. In May's Harvard Business

Review, Denning describes how good storytelling can galvanize an organization around a business goal. He told Kathleen Melymuka how IT leaders can make this low-tech tool work for them.

When we talk about storytelling in an IT environment, how are we defining story? I've defined it in a fairly broad way to be any account with time, place and a sequence of events.

How do stories succeed in moving people to action when logic and analysis fail? The presenter of a logical analysis asserts a proposition: "The cat sat on the mat." To which the response is, "No, it didn't." If, on the other hand, I say, "Let me tell you about a cat that was sitting on a mat," then we're arm in arm, looking together. I'm not forcing a conclusion. But when the listener thinks, "Maybe that could apply in my context," then you're one millimeter away from starting to implement something. Actions follow from narrative.

Why do business and IT leaders resist the idea of storytelling as a business tool? The 20th century was the high point of the premise that anything not analytic and

logical doesn't have any intellectual respectability. Many disciplines have come to see that that vision of life isn't the whole story, but management and IT are among the last bastions of the world as a machine.

Given that bias toward the analytic, if an IT leader starts telling a story, don't you think the department will roll its collective eyes? If you announce, "I am going to tell you a story," you'll get the rolling of the eyes, but when I was reporting to the CIO at the World Bank, I never said that. I said, "Let me tell you about something that happened two weeks ago," and curiosity is raised, and before you know it, they're following the story.

You talk about the need to match the story to the situation. How would an IT leader use a story to spark action? In the fall of 1998, I was called to give a presentation on why the World Bank should bother with knowledge management when we seemed on the brink of global financial crisis. I said, "Let me tell you something that happened two weeks ago. A World Bank highways team in Pakistan got an unexpected question from Pakistani highway administration. They wanted to try different technology, and they needed to make the decision the next week. What did we advise? The team contacted 300 highway experts in and outside the bank by e-mail. In the next 48 hours, they got help from someone in Jordan using that technology, someone in Argentina writing a book on the subject, someone in New Zealand with guidelines. . . . Now that we have this knowledge, we can make it available through the Web for anyone." They said, "Why aren't we making this happen all over the organization?"

What is it about that story that makes it work? There's a particular pattern underlying that story. It has a protagonist with whom the audience is likely to empathize. It actually happened, and the truth of the story snaps listeners out of complacency. It's positive in tone. And it's told in a minimalist fashion, because I don't want them thinking all about what's going on in Pakistan; they need space in their minds to think, "Yeah, I can do this in my environment." Once executives can learn to understand that pattern, whether they're introducing CRM or SAP, they'll know how to find a suitable

story to spark people to action.

Another high priority in IT is fostering collaboration. What's an example of how a story could help a project team jell? We were asked by a director to help get his squabbling group to be more collaborative. We had a meeting with them and asked for a volunteer to tell a moving story about some recent work-related event. We said, "Pull out all the stops and tell everything you felt about what was happening to you." That story sparked a whole series of stories from the rest of the group. People were interested in hearing the stories because they were about the same subjects they were grappling with, and they wanted to tell their stories. By the end of an hour, the group realized they had a common perception of the problems and what needed to be done. With a chain reaction of stories, it's remarkable how quickly a group can move to a collaborative mind-set.

IT isn't known for linguistic folks. Can introverted, analytical people become good storytellers? The most effective storytellers are not glib extroverts. In fact, when a storyteller is stumbling and clearly struggling, then listeners reach out and help and fill in the blanks. But we're all storytellers. We start telling stories spontaneously at the age of 2. Then school and work tell you to put away stories. But we are a storytelling species. Dogs sniff each other; humans tell stories. **46367**

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Create Stories to Match the Situation

IF YOUR PURPOSE IS	USE A STORY THAT	BE SURE TO	EXPECT RESPONSES SUCH AS
Sparking action	Tells how change was implemented in the past and allows listeners to imagine how it might work in their situation.	Avoid too much detail; it can take listeners' minds off their own challenges.	"Just imagine . . ." "What if . . ."
Fostering collaboration	Identifies someone's situation that listeners learn they understand and that prompts them to share their own stories on the topic.	Provides time for people to swap stories and leave an action plan ready to top the story; the message will sink in.	"That reminds me of the time . . ." "Yes, I've got a story like that."
Squelching rumors	Highlights, possibly through humor, some aspect of the rumor that shows it to be unlikely.	Avoid being overly apologetic and make sure the rumor really is false.	"The blabber!" "I hadn't thought about it like that."
Sharing a win	Describes a victory you want to create, illustrating why the success could be long term and to be repeated.	Be confident of your storytelling skills. Otherwise, use a story in which the plot serves as an metaphor for the future.	"When do we start?" "Let's do it!"

IT RISK DELTA

The airline uses a rigorous but simple scorecard to balance the risk of technology failure against the costs of upgrading.

BY GARY H. ANTHER

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The results are combined and then show, for example, that the server infrastructure presents a medium risk for Business Area 1, a low risk for Business Area 2 and a high risk for Business

Area 3 (see small chart).

The method works for all parts of the business, Leinbach says. "Even if you are just in finance and responsible for the books, that's not required to keep an airplane in the air, but you can't run the company very long if you can't file your paperwork."

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"The fact that they have formalized it is a very good thing, and so is the fact that they are actually applying it to their future migration planning," Heine says. When business people ask what IT has done for them lately, he says, IT can say, "Well, we quantified the risk in 2004, and we will be able to measure our capabilities and successes against our capabilities in 2007. That's great."

46038

A HYPOTHETICAL SCORE

Adding the risk scores in the green column (see chart to the right) produces a scorecard like this, color-coded for high (red), medium (yellow) and low (green) risk.

Business Area 1	■	■	■
Business Area 2			
Business Area 3	■		N/A
Business Area 4	■	■	

RISK-SCORING GUIDELINES

CATEGORY	RISK SCORE	VALUE
Technology age	1	1 year old
	2	2 years old
	3	3 years old
	4	4 years old
	5	5 or more years old
Business area value at risk	1	Would disrupt core functions (e.g., finance, HR).
	3	Would disrupt customer-facing systems or reduce operational capacity.
	5	Would disrupt core operations (e.g., flights).
Platform supportability	1	A generally available product.
	2	No longer generally available but fully supported by vendor.
	3	Vendor has announced end of life for platform but still supports it.
	4	No longer supported by vendor.
Platform complexity	1	No support, spares in short supply or nonexistent.
	3	Single function, single application.
	5	Multiple functions or applications for one business unit.
Platform risk of failure	1	Multiple functions or applications for multiple business units.
	3	History of below-normal failure rates.
	5	History of normal failure rates.
Platform history of failure	1	History of above-normal failure rates.
	3	History of normal failure rates.

High risk 18-25 ■ Medium risk 11-17 Low risk 5-10

Tales



When he was director of knowledge management at the World Bank, **Stephen Denning** discovered a powerful leadership tool: storytelling. He found that it often succeeded in inspiring and motivating people when cold, hard logic failed. In May's Harvard Business

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IT isn't known for loquacious folks. Can inventors, analytical people become good storytellers? The most effective storytellers are not shy conversers. In fact, when a story teller is stumbling and clearly struggling, then listeners reach out and help and fill in the blanks. But we're all storytellers. We start telling stories spontaneously at the age of 2. Then school and work tell you to put away stories. But we are a storytelling species. Dogs sniff each other; humans tell stories. **© 46307**

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IF YOUR PURPOSE IS ...	USE A STORY THAT ...	BE SURE TO ...	EXPECT RESPONSES SUCH AS ...
Inform	Tells how change was implemented in the past and allows listeners to imagine how it might work in their situation.	Avoid too much detail. It can take listeners' minds off their own challenges.	"Just imagine..." "What if..."
Convince	Movingly recounts a situation that listeners have also experienced and that prompts them to share their own stories on the topic.	Provide time for people to swap stories and have an action plan ready to tap the energy the exchange will unleash.	"That reminds me of the time..." "Hey, I've got a story like that."
Inspire	Highlights, possibly through humor, some aspect of the rumor that shows it to be worthy.	Avoid being mean-spirited and make sure the rumor really is false.	"No kidding!" "I hadn't thought about it like that."
Warning or Vision	Evokes the future you want to create, without providing too much detail that may turn out to be wrong.	Be confident of your storytelling skills. Otherwise, use a story in which the past serves as a springboard to the future.	"When do we start?" "Let's do it!"

Career Watch



How do 2004's Regional Leadership Forums work? A forum meets every six weeks for two days, over a period of about eight months. Throughout that time, we read about 35 books focused on a range of topics. Speakers come in to facilitate peer-to-peer discussions. The main purpose of the forum is to take a holistic view of leadership. You spend very little time talking about technology. It's more about the skills you need as an IT leader, which range from thinking about IT governance and measuring value to negotiations and softer skills, such as building relationships with the execu-

tive team, communications and professional networking.

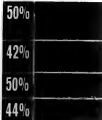
In such a tight economy, has the emphasis on soft skills for IT personnel fallen off somewhat? There has been a greater emphasis lately on how to do more with less, and there has been more of a demand for financial skills and the ability to deal with regulators. But at the end of the day, if you're in an IT senior-level position, you have to be able to get up in front of a room of people and sell ideas and negotiate for what's important. I haven't seen that go by the wayside.

How about managing people? What an IT person wants from a manager is to know that the manager cares about their success and professional development. At the bare minimum, I think my directors ask all of their reports what they want to do next and how the director can help them get there. That question should be integral to ongoing discussions with direct reports. If a person feels a manager doesn't care about them as a person and a professional, that person will leave the company.

What do you consider the most important nontechnical skills that IT leaders should develop? Relationship skills, including how to build relationships with your functional counterparts and others on the executive team, and communications skills. You need to write well and speak well. One of the things they had us do in the Regional Leadership Forum is prepare and give our "elevator speech." That's the speech you give when the CEO gets in the elevator and you have three minutes to convey what you're doing. Always have that elevator speech in your back pocket. **46441**

—Julie King

NUMBERS CRUNCH: Workplace Relationship Issues



SOURCE: WWW.WORKRELATIONSHIPS.COM
WWW.MCGRAWHILL.COM 2004

Worth Noting

People don't leave a company, they leave a manager. The costs for an employee who resigns due to interpersonal relationship problems are extensive; some studies indicate that the costs are up to three times the departing employee's annual salary. In addition, there are other costs involved, such as hiring and training for the replacement position.

—WWW.WORKRELATIONSHIPS.COM

I have been a victim of workplace bullying.



BASE: 476 workers polled online between November 2002 and March 2003

I have observed someone else being bullied in the workplace.



BASE: 47 workers

SOURCE: THE BUSINESS RESEARCH LAB LLC, HOUSTON

BRIEFS

McClintock to Lead Arch Insurance IT

Scott McClintock has been promoted to senior vice president and CIO at Arch Insurance Group, a division of Arch Capital Group Ltd., a Bermuda-based reinsurance company. McClintock will establish a long-term IT architecture for Arch and implement business unit efficiency initiatives. He joined Arch in 2002.

Nextel Boosts EDS Contract by \$100M

Electronic Data Systems Corp. announced that it has amended its current five-year master services agreement with Nextel, Va.-based Nextel Communications Inc. to cover additional applications development and hosting services, increasing the contract's value by about \$100 million. Under the 2001 agreement, EDS, Texas-based EDS provided Nextel with comprehensive IT services, including data center, database administration, disaster recovery and help desk functions.

BP CIO Joins MapInfo Board

MapInfo Corp., a provider of location-based business intelligence software in Troy, N.Y., announced the appointment of Simon J. Orski to its board of directors. Orski is currently CIO at BP PLC's integrated supply and trading businesses and is vice president of digital and communications technology.

Saab Signs Entopia

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BART PERKINS

Risk/Reward Contracts: Laying the Foundations

UNDER THE RIGHT CIRCUMSTANCES, risk/reward contracts can provide significant benefits to both buyers and sellers [QuickLink 45728]. Because these contracts withhold a significant percentage

of the fees until the project is successfully completed, they offer a way to share both risks and rewards with your supplier. Risk/reward contracts are more complex to negotiate and manage, however, and require careful consideration. Here are some steps you can take to minimize difficulties.

Determine whether you have a good candidate for a risk/reward contract. Do this before you pursue contract negotiations. Risk/reward contracts work best with:

- High-risk projects with significant business benefits. Use risk/reward only when the potential benefits warrant the additional effort.

- Established suppliers. Because of the complexity of these contracts, you will do better if you select a supplier with an excellent track record, preferably one you already have a strong relationship with.

- Companies with strong internal relationships. Risk/reward contracts require significant internal cooperation and work best in companies where legal, finance and HR departments already have a strong working relationship with IT.

Use clear metrics. The success of your risk/reward contract will depend on it. These measures form the basis for determining whether additional financial payments are warranted. They are particularly necessary in multiyear contracts, where management changes are almost sure to occur. Having clear



metrics can help you avoid being at the mercy of widely differing interpretations of whether success has been achieved.

- Choose metrics that reward specific behavior. For example, metrics for a new application might specify an average response time of two seconds. If you want to eliminate large deviations in response times, add a related metric specifying that 95% of the transactions will take place within one to three seconds.

- Develop metrics to eliminate arguments with suppliers regarding whether their incentive payments should be made. Clear metrics remove ambiguity. Imprecise measures are often subject to debate.

- Design metrics carefully. Poorly designed or insufficient measures may result in unintended consequences or give suppliers the ability to play games with the numbers. One company tried to motivate data entry operators by paying a bonus for more than a certain number of keystrokes per hour. The operators soon learned they could "increase productivity" by repeatedly tapping a single key.

Define counterbalancing measures of success. Make sure that your metrics take into account and accurately reflect multiple goals. For example, if the only measure of success is response time, a systems integrator might require faster processors and higher bandwidth, thereby making the on-

going operating costs higher than they should be.

Get interdepartmental support early.

■ **Finance.** Since benefits often accrue over several budget years, the finance staff will need to accept multiyear "at risk" accruals that represent contingent liabilities on the balance sheet (i.e., payments you will make only if the vendor performs well). In some cases, it may take several years to construct and install a new system and start reaping the benefits. Finance will need to accrue potential additional payments as soon as the endeavor starts, rather than waiting until the end and being surprised by the total fees.

■ **Legal.** In addition to normal contract terms, you will need to negotiate special situations. For example, if your risk/reward endeavor is canceled through no fault of the supplier (e.g., your company is acquired and the new owner decides to shut down the project), the supplier will want to be paid some portion of the potential additional fees it might have received at normal project completion.

■ **HR.** Some internal incentive programs may need to be adjusted. Suppose, for example, you construct a joint project team in which everyone works hard to deliver the project early. If the systems integrator's staff gets a bonus and your HR policies forbid you to pay a bonus to your staff, that could create resentment.

Risk/reward contracts require more preparation, precision and cooperation. But when they are used appropriately, they motivate suppliers to deliver successfully. This leverage serves as an insurance policy against failure and provides incentives for joint success.

■ 46411

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Career Watch

Mary Farley
FILE, Deputy
CIO
COMPANY
Partners
HealthCare
System Inc.
Boston
WHAT SHE
DOES Heads
IT for a group
of 10 hospitals employing a total
of 1100 IT professionals. A 2001
graduate of the Society for Information Management's Regional
Leadership Forum. Farley is a
firm believer in the critical impor-
tance of the soft skills the forum
focuses on. Since the RLF was
launched in 1992, more than
1,200 IT professionals have grad-
uated and many of them are now
CIOs at top organizations, includ-
ing Citicorp and Sharp Elec-
tronics Corp.

Q&A

How do SIM's Regional Leadership Forums work? A forum meets every six weeks for two days, over a period of about eight months. Throughout that time, we read about 35 books focused on a range of topics. Speakers come in to facilitate peer-to-peer discussions. The main purpose of the forum is to take a holistic view of leadership. You spend very little time talking about technology. It's more about the skills you need as an IT leader, which range from thinking about IT governance and measuring value to negotiations and softer skills, such as building relationships with the exec-

utive team, communications and professional networking.

In such a tight economy, has the emphasis on soft skills for IT personnel fallen off somewhat? There has been a greater emphasis lately on how to do more with less, and there has been more of a demand for financial skills and the ability to deal with regulations. But at the end of the day, if you're in an IT senior-level position, you have to be able to get up in front of a room of people and sell ideas and negotiate for what's important. I haven't seen that go by the wayside.

How about managing people? What an IT person wants from a manager is to know that the manager cares about their success and professional development. At the bare minimum, I have my directors ask all of their reports what they want to do next and how the director can help them get there. That question should be integral to ongoing discussions with direct reports. If a person feels a manager doesn't care about them as a person and a professional, that person will leave the company.

What do you consider the most important nontechnical skills that IT leaders should develop? Relationship skills, including how to build relationships with your functional counterparts and others on the executive team, and communications skills. You need to write well and speak well. One of the things they had us do in the Regional Leadership Forum is prepare and give our "elevator speech." That's the speech you give when the CEO gets in the elevator and you have three minutes to convey what you're doing. Always have that elevator speech in your back pocket. **Q 46441**

—Julia King

NUMBERS CRUNCH: Workplace Relationship Issues



SOURCE: U.S. NEWS & WORLD REPORT, JANUARY 2003
WWW.BARRONS.COM

Worth Noting

6 People don't leave a company, they leave a manager. The costs for an employee who resigns due to interpersonal relationship problems are extensive; some studies indicate that the costs are up to three times the departing employee's annual salary. In addition, there are other costs involved, such as hiring and training for the replacement position.

WWW.WORKRELATIONSHIPS.COM

I have been a victim of workplace bullying.



BASE: 416 workers polled online between November 2002 and March 2003

I have observed someone else being bullied in the workplace.



BASE: 417 workers

SOURCE: THE BUSINESS RESEARCH LABORATORY

CONFLICT MANAGEMENT is a huge issue for all managers, but especially for IT managers, since most IT work is performed by teams, says Craig Rande, director of new program development at the Leadership Development Institute of Eckerd College in St. Petersburg, Fla. "It's mostly a matter of knowing how to deal with differences," says Rande.

Eckerd researchers surveyed 300 managers, their bosses, peers and direct reports and came up with a "very strong statistical correlation" between qualities associated with leaders and various constructive behaviors in conflict. "Things like the putting

yourself in the other person's shoes and reaching out to people in a conflict [rather than avoiding it] are both constructive behaviors associated with leadership," Rande says. Destructive behaviors include displaying anger, demanding others and retaliating. "To the extent that you want to build leaders, one area you have to consider seriously is making sure managers have effective conflict management skills," Rande says. In IT, he adds, "It's fair to say that a lot of people are quite strongly task-focused. As a consequence, sometimes the interpersonal effects of their actions may not be their primary focus." —Julia King

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BRIEFS

McClintock to Lead Arch Insurance IT

Scott McClintock has been promoted to senior vice president and CIO at Arch Insurance Group, a division of Arch Capital Group Ltd., a Bermuda-based insurance company. McClintock will establish a long-term IT architecture for Arch and implement business unit efficiency initiatives. He joined Arch in 2002.

NexTel Boosts EDS Contract by \$100M

Electronic Data Systems Corp. announced that it has amended its current five-year master services agreement with Reston, Va.-based NexTel Communications Inc. to cover additional applications development and hosting services, increasing the contract's value by about \$100 million. Under the 2001 agreement, Plano, Texas-based EDS provided NexTel with comprehensive IT services, including data center, database administration, disaster recovery and help desk functions.

BP CIO Joins MapInfo Board

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Integrated rear cable management channels that allow efficient cable routing and easily accessible cable termination.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Available with scalable cooling options to support heat densities up to 7.5kW.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exceeds major server requirements for front door ventilation.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Meets or exceeds warranty requirements for all major servers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
InterShelter compatible. Seamlessly integrates into APC's modular, reconfigurable, pre-engineered data center architecture.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The screenshot shows the 'IT careers' website. At the top, there's a navigation bar with 'home', 'about us', 'contact us', and 'careers'. The main heading is 'IT careers'. Below it, there's a list of job categories: 'Software Development', 'Hardware', 'Networking', 'Security', 'IT Support', 'IT Management', 'IT Training', and 'IT Consulting'. A sidebar on the left features a '100' logo and the text '100% Satisfaction Guarantee'. The main content area displays several job listings, including 'Software Developer', 'Hardware Engineer', 'Network Administrator', 'Security Analyst', 'IT Support Specialist', 'IT Manager', 'IT Trainer', and 'IT Consultant'. Each listing includes a brief description and a 'View Details' link. At the bottom, there's a large banner with the text 'www.itcareers.com'.

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Systems Analysis to analyze user requirements, procedures and problems to automate pro-

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knowledge of programming techniques and computer systems, evaluate user request for new or modified program, formulate plan outlining steps required to develop program using structured analysis and design. Design new code, program or replace, delete, or modify existing code, program to meet client needs, will use

variety of software tools, including SAP R/3 ABAP-4 Cross C, Software Management, Cross C.

Hardware Technicians are responsible for immediate on-site opportunities for:

- **Software Engineers** To research, design and develop computer software systems in conjunction with hardware product development applying principles and techniques of computer science, engineering and mathematical analysis; formulate and design software system and use a variety of software tools in the development of software.
- **Systems Analysts** To analyze and design computer systems.

Programmer Analysts: to plan, develop, test and document

computer programs, applying knowledge of programming techniques and computer systems, evaluate user requests for new or modified programs, formulate plan outlining steps required to develop program, using structured analysis and design. Design new computer program or replace parts or modify existing computer program to meet changing needs.

variety of software tools including: Colnet, C. Fortran, Visual

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Software Engineer to analyze, design, develop, test, implement and support PeopleSoft® web architecture global ERP Solutions, as a technical lead developing solutions throughout the project's life-cycle with clients on experience in SOA, security, LDAP, Informatica, Oracle, and PL/SQL. Bachelor Degree and 5 years in full-cycle experience for HR, FI, AP, GL, T&L, PO, BI and SS. Send Resume to Debra Balthasar, Inc. Attn: HR, 6525 The Corners Parkway, Suite 312, Norcross, GA 30062

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Continued from page 1

Bluetooth

tool called Bluewatch from AirDefense Inc. to scan every device on his network and employees' mobile phones for the presence of the wireless technology. Hawkins will then decide which devices should be allowed to run Bluetooth and access the network at Leapfrog, an Atlanta-based vendor of managed network services.

Cracks in Bluetooth's security capabilities first came to light in February, when researchers in the U.K. said they had developed a tool that could exploit a flaw in some phones to connect to other devices without going through the normal pairing process. Once the connection was established, the tool could download data such as address books and personal calendars [QuickLink 44727].

Attack Techniques

The Bluetooth Special Interest Group (SIG), a trade association based in Overland Park, Kan., today plans to address the technology's vulnerability to the "bluesnarfing" attacks and another hacking technique called "bluejacking."

"The group said in a statement that Bluetooth users need to 'understand the realities of the situation [and] know how to protect themselves.' Patches are available for the phones that are at risk of being attacked, said a spokesman for the Bluetooth SIG. He added that the group also plans to detail initiatives it has under way to make Bluetooth more secure.

The spokesman said that only a relatively small number of phones from Nokia Corp. and Sony Ericsson Mobile Communications AB are susceptible to bluesnarfing. Despite the current concerns, he claimed that Bluetooth "is more secure than any other wireless technology" because

of the short transmission range of most devices and its 128-bit encryption capabilities. Neither Nokia nor Sony Ericsson returned calls.

Bluetooth security concerns will likely continue to grow as devices that use the technology proliferate, said Chris Kovacs, an analyst at Meta Group Inc. Kovacs said Bluetooth-equipped mobile phones can be a particularly vexing problem for IT managers because many are bought by individual employees, making them harder to manage than corporate assets such as laptop PCs.

Bluespiking involves sending

unsolicited text messages to other Bluetooth users. Karl Felder, president and CEO of Red-M Ltd., a vendor of wire less security tools in Blacksburg, England, described bluespiking as "an annoyance" that can be deflected by turning off the phone function on devices, which needs to be on to allow the exchange of such messages.

Few IT managers are even aware of Bluetooth's widespread use, Felder said. Worldwide shipments of mobile phones and other devices that use the technology exceeded 1 million units per week last year, according to the Bluetooth SIG. He estimated

Bluetooth Threats

Bluetooth's 10-year-old technology is still in its infancy, but the security risks are growing. Here are some of the threats that could be exploited by hackers.

Bluespiking. Using a phone to send text messages to other mobile phones without their going through the pairing process.

ed that as many as 2 billion Bluetooth-equipped devices could be in use by next year.

Many Bluetooth products are short-range devices that can transmit across distances

of only about 30 feet. But Ian Chaudhry, chairman of AirDefense in Alpharetta, Ga., said a large number of laptop PCs include longer ranges. Bluetooth radios that can work at distances of up to 100 feet. That could make them more vulnerable to attacks, he said.

AirDefense's Bluewatch detection tool costs \$250 but use on a laptop PC. Red-M also offers a Bluetooth detection system that's based on radio frequency sensors deployed throughout a company's offices, with costs for an installation running between \$50,000 and \$250,000, according to Felder. **Q4573**

Continued from page 1

E-voting

voter-verifiable paper receipts. The 50 million Americans who will use electronic voting machines this fall will have no way of knowing if their votes were subject to electronic tampering. Moreover, the code base powering the systems is so large and complex that there's no efficient way for election officials to be sure that it's free of malicious code designed to manipulate election results.

At Rubin, a professor at the Johns Hopkins University Information Security Institute in Baltimore, said his biggest concern is the threat of individuals who have access to the code base rigging the election. "And it's virtually undetectable," he said.

"The trusted computing base is approximately 50,000 lines of computer code sitting on top of tens of millions of lines of [operating system] code," Rubin said. "It is impossible to secure such a large trusted computing base."

Rubin recently had 40 Ph.D. candidates design Trojan horse programs to assess the security of the e-voting systems. "It was astounding to see the cleverness and ease with

which the malicious code was hidden and how difficult it was to find," he told the commission. "In the short term, meaning November 2004, a voter-verifiable paper ballot is necessary. It's the only way to get around all of the security problems in the machines" and, if necessary, to conduct meaningful recounts.

Identifying Vulnerabilities

Rubin, who has come under fire from IT vendors and their Washington lobbying group, the Information Technology Association of America, recently worked as a polling official to observe the process firsthand.

Although Rubin said that the experience forced him to rethink some of his early concerns about the security of the

systems, he added that he came away with new concerns about the risk of manipulation and fraud.

"At the end of the day, the memory cards were taken out of all of the machines and put into one machine... and then they were transmitted via modem to back-end servers," said Rubin. He also noted that the polling station used a brittle cipher for encryption and a key that was hard-wired to all of the machines. That constituted "a single point of vulnerability," he said.

Ted Selzer, a professor at MIT and a former IBM fellow, said there are ways to counter such vulnerabilities. But encryption would be too difficult to deploy in time for the November vote, he said. And in some cases, registration databases remain full of errors—a problem that led to the loss of between 1.5 million and 3 million votes during the 2000 election, Selzer said.

The IT vendors that make the systems in question sought to discredit Rubin's research by characterizing it as laboratory work that has little relevance to a real-world voting environment. Some also complained that until last year, election officials were more interested in usability improve-

ments than in better security.

"What's been missing from these laboratory-oriented critiques has been the real-world experience of the voting booth," said Mark Radin, director of marketing at McKinney, Texas-based Diebold Election Systems, which made the system tested by Rubin and his students. The questions and doubts raised are "theoretical in nature," he said.

Nell McClaine, general manager of Hart Interactive Inc. in Austin, said product changes should be based on risk assessments, not solely on the existence of vulnerabilities. He discounted the threat of electronic tampering, saying it would require a long-term commitment by a motivated attacker.

In any case, both the IT vendors and the researchers agreed that properly securing the existing systems will also be a long-term process.

Fast 2004, we have the equipment we need," said

Selzer. **Q4570**

CASTING THEIR VOTES

The HIAA just announced the results of a survey of e-voting security. See www.hiaa.org for more.

QuickLink 46763

See Dan Winters' privacy-covering the election commission hearing online.

QuickLink 46592

www.computerworld.com



John Rubin, professor at Johns Hopkins University, says the security of the e-voting systems is a major concern.

BPA ARM



FRANK HAYES • FRANKLY SPEAKING

Sinister Sasser

THINK THE SASSER WORM IS TRIVIAL? Think just because it had near-zero impact on U.S. businesses, it's not something you need to worry about? Think again. True, Sasser infections numbered only in the dozens at places like American Express, Citibank and Lehman Brothers, and the worm was cleaned up quickly. Even in Europe, where banks, a stock exchange and even the offices of the European Commission were reportedly hit, Sasser was more of an annoyance than a crisis — nothing to really worry about.

Start worrying. Worm writers are learning. And they have a plan.

Why do you think there are endless versions of new, seemingly ineffective worms like Netsky and Sasser? They don't do much besides spread themselves. So why 30 versions of Netsky in 11 weeks? Why a dozen Welchia worms in three months? Think: Why would you churn out lots of small prototypes very quickly, with only slight differences among them?

That's right — to test them with users and get feedback, to find out which features of each prototype work and which are a waste of time. We do it with a pilot group of users. The worm writers are doing it with the entire Internet.

These prototype worms aren't supposed to wreak havoc. They're just supposed to spread. They're experiments, prototypes with cycle after cycle of tweaking and testing.

Once, the individuals who wrote malware just took their best shot. Now they work in teams, developing their software slowly and carefully, testing one element at a time. Those step-by-step results aren't very dramatic. But once the worm writers put it all together, their worms will be a lot more likely to work.

Feeling a little worried yet?

That slow, steady approach to worm writing has other results, too. Worm writers now know that the timing of a worm launch matters. Sasser hit on Friday evening, just after the security experts went home for what was a three-day weekend in Europe — so it got a much better head start than if it had been released on a Thursday afternoon.

Worm writers have also accustomed us to lots of worms — two or three new variants per day now — and high infection rates. Five years ago, the Chernobyl virus spread to

700,000 computers. Everyone was astounded. Last week, Sasser probably topped a million, and everyone yawned. As worm writers are getting more methodical, effective and — ultimately — threatening, we're paying less attention.

So what is their plan? What's all this meticulous worm development leading to?

We don't know. But we can guess. The goal might just be a giant network of spam relays. Or it could be something much worse.

What if all those different worms are turned into empty delivery vehicles? What if a future generation does its overnight mass infection, and then each worm phones home for a payload? That would form a perfect platform for massive denial-of-service attacks. Properly designed, the worms could hide their target until the last minute — because they won't contain the attack payload until the last minute.

Worried now? Good.

That DoS attack, when it comes, might be aimed squarely at you. It might hit a key supplier or service provider. It might just suck up all the bandwidth in your vicinity. You need to be prepared for an attack — or for collateral damage.

If you don't already have a DoS recovery plan, make one now. Then test it. Refine it. Make sure your IT shop can execute it. Prepare for a DoS attack like you would for a fire, flood or any other disaster.

Because even if those worms don't ultimately pose a DoS threat, you're so worse off. You're ready in case someone or something else slams you with a DoS attack.

But if the worms turn on you, the last thing you'll think they are is trivial. **46707**



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Wrong, Wrong, Wrong!

This county office moves from dumb terminals to network PCs so swiftly that there are lots of equipment problems: miswired monitors, keyboards with cables that don't match — you get the idea. It's no big deal, reports a pilot fish forum, and employees shift things around for themselves. Then the rambunctious manager hears about it. "She gathered us in an auditorium and ordered us to call the help desk even if all we needed was to move the monitor from one side of a desk to the other," he says. "Why? Well, obviously, because if you move them, they could explode!"

Flying Blind

That pilot fish gets the call when the payroll department's



help and especially a strong shake of command. He appoints pilot fish


is posted to find himself in the CEO's office — without his IT manager here — handling the CEO's anger that he doesn't know what fish does all day. "I start to summarize my many duties," says fish. "But she cuts me off, saying, 'I don't want to know what you're doing!'"

Big Brother

Now wireless networks at a health club work for a few days. Then it stops working, and a pilot fish is sent to investigate. He discovers that the wireless network

point has been unplugged. Turns out one of the nurses did it. Monitoring supervisor talks fish. "This nurse asked me why you're not up to speed concerning devices in their area. It isn't any of your business until they were doing, so they unplugged it." Fish explains what the wireless network point is really for, but supervisor is still unimpressed. "I had someone on it, so we just turned you would say Big Brother."

NEVER HINDS MY BROTHER. Sharkey is watching www.computerworld.com. You access a splash sheet alert if I tell your true tale of IT. And check out the daily feed, between the Sharkhouse and sign up for Shark Tank home delivery at computerworld.com/shark.



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*Source: Future Computing: Beyond the N-tier Data Center. IDC Coastal Reports Oct 2003

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